

Corporate Headquarters  
40W267 Keslinger Road  
LaFox, IL 60147 USA

May 2, 1990

Phone: (800) 323-1770  
(312) 208-2200  
FAX: (312) 208-2550  
Telex: 283461

Ruth Mancos  
Emergency Support Section  
U.S. Environmental Protection Agency, 5HS-11  
230 South Dearborn Street  
Chicago, IL 60604

Dear Ms. Mancos:

Enclosed please find the Response of our Company to the Request for Information Pursuant to Section 104(e) of CERCLA and Section 3007 of RCRA, for the Conservation Chemical Company Site in Gary, Indiana, which was enclosed with a letter addressed to National Electronics from Robert J. Bowden of your office dated January 30, 1990, which we received on or about March 13, 1990. Pursuant to our telephone call, confirmed in my letter to you of April 5, 1990, we were given until May 2, 1990 to file our Response to the Request.

We believe we have fully responded to the Information Request, except for information and/or copies of liability insurance policies in response to information request # 8, which as noted in the response, will be provided as soon as the policies are assembled. Should you require any further or additional information or clarification of any of our responses please do not hesitate to contact the undersigned.

It would be appreciated if you would acknowledge receipt of this letter and our enclosed Response by signing and returning the enclosed duplicate copy of this letter in the enclosed stamped and addressed return envelope.

Very truly yours,

RICHARDSON ELECTRONICS, LTD.

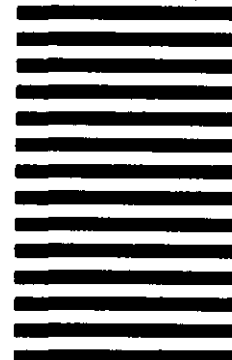
*William G. Seils*

William G. Seils  
General Counsel and Secretary

WGS:cak  
Enc.



NO POSTAGE  
NECESSARY  
IF MAILED  
IN THE  
UNITED STATES



**BUSINESS REPLY MAIL**

FIRST CLASS PERMIT NO. 6 LA FOX, IL

POSTAGE WILL BE PAID BY ADDRESSEE



**Richardson Electronics, Ltd.**

40W267 Keslinger Road  
LaFox, Illinois 60147

William G. Seils

STATE OF ILLINOIS )  
 ) ss.  
COUNTY OF KANE )

AFFIDAVIT OF COMPLIANCE

William G. Seils, being first duly sworn, deposes and says:

1. I am General Counsel and Secretary of Richardson Electronics, Ltd. ("Richardson"). I have responsibility for Richardson's compliance with Request for Information Pursuant to Section 104(e) of CERCLA and Section 3007 of RCRA, for the Conservation Chemical Company Site, in Gary, Indiana, received by Richardson on March 13, 1990 (hereafter "Request").

2. To the best of my information, knowledge and belief, a diligent record search has been completed and there has been a diligent interviewing process with those present employees who may have knowledge of the operations, hazardous substance use, storage, treatment, releases, spills, disposal or handling practices of Richardson between 1970 to 1985, except for those employees whose interviews were expected to produce no new or additional information.

3. The responses to Request furnished herewith were prepared by the undersigned based on the records indicated and the information provided by Richardson employees.

4. To the best of my knowledge, information and belief the facts set forth in the Responses are true and correct and I am competent to testify thereto.

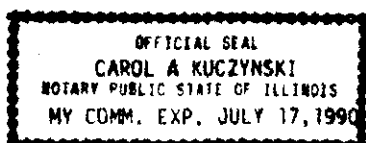
*William G. Seils*  
William G. Seils

STATE OF ILLINOIS )  
 ) ss.  
COUNTY OF KANE )

Subscribed and sworn to before me  
this 2nd day of May, 1990.

*Carol A. Kuczynski*  
Notary Public

-My Commission Expires: July 17, 1990



Richardson Electronics, Ltd.  
Response To Request For Information  
Conservation Chemical Company Site, Gary, Indiana

SUMMARY

Richardson Electronics, Ltd. ("Richardson"), a Delaware corporation, with its principal place of business at 40W267 Keslinger Road, LaFox, Illinois 60147, is not a Potentially Responsible Party as it did not dispose or arrange for the disposition of hazardous substances, pollutants, or contaminants at the Site. The records relied upon by the United States Environmental Protection Agency pertain to another company as more fully described below.

INTRODUCTION

Richardson responds as follows to the Request for Information Pursuant to Section 104(e) of CERCLA and Section 3007 of RCRA, for the Conservation Chemical Company Site, in Gary, Indiana (the "Request") enclosed with a letter dated January 30, 1990 from Robert J. Bowden of the United States Environmental Protection Agency, Region 5, addressed to National Electronics, P.O. Box 269, Geneva, IL 60134 and received by Richardson on or about March 13, 1990. The relevant time period for the Request is from 1970 to 1985. All terms used herein not otherwise defined herein shall have the meaning ascribed to them by the Request.

Richardson did not send any hazardous substances, pollutants or contaminants to the Site during the relevant time period. Richardson believes the Request was delivered to it because it uses, and has used since May 29, 1981, the name National Electronics as a trade name for its electron tube manufacturing operation in LaFox, Illinois which is located just outside of Geneva, Illinois. Richardson believes that the prior owner of its premises in LaFox, Illinois, which also operated under the National Electronics name, may have turned over to Conservation Chemical Company of Illinois ("CCCI") hazardous substances, pollutants or contaminants which were generated by another business that such owner had previously conducted and which CCCI disposed of at the Site.

On or about May 29, 1981 Richardson acquired an electron tube manufacturing business (including property, plant and equipment and right to use the name National Electronics) which operated at 40W267 Keslinger Road, LaFox, Illinois (the "NED Business") for approximately \$7,000,000 from Varian Associates, Inc. ("Varian") a Delaware corporation, with executive offices at 611 Hansen Way, Palo Alto, California 94303, phone number 415-493-4000. The NED Business was purchased pursuant to an

Agreement of Purchase and Sale between Richardson and Varian dated April 11, 1981, see document production numbers RE 77 through RE 120 (the "NED Business Purchase Agreement"). The NED Business was a very minor part of Varian's total operations. Varian, together with its subsidiaries, is a high-technology enterprise, founded in 1948, engaged in the research, development, manufacture, and marketing of various products and services for the fields of communication, defense, industrial production, scientific and industrial research, health care, and environmental monitoring. Varian's principal lines of business are Electronic Device and Systems, Analytical Instruments, Semiconductor Equipment, and Medical and Industrial Products. Varian's foreign subsidiaries engage in some of the aforementioned lines of business and market Varian's products outside the United States. As of September 29, 1989, Varian employed approximately 12,100 people worldwide. Varian's gross sales in its most recently completed fiscal year, September 29, 1989, were \$1,343,600,000.

Prior to Richardson's acquisition of the NED Business, Varian operated a business of manufacturing silicon semiconductor devices ("SCR Business") from about 1970 to 1980 at the same premises at which it conducted the NED Business. While Richardson did purchase Varian's remaining inventory of silicon semiconductor devices Richardson did not purchase the SCR Business. See the NED Business Purchase Agreement, document page numbers RE 77 and RE 78, which specifically excludes the SCR Business from the purchase by and sale to Richardson. On the basis of information supplied by Eugene F. Loeb, an employee of Richardson and a former employee of Varian, it was the SCR Business of Varian that purchased, stored, and used hazardous substances that in part were disposed of by turning them over to CCCI who apparently transported them to the Site. See the response to request number 7 below.

From reviewing our records and information available it appears that process wastes of the NED Business, to the extent there may have been any, were not sent to the Site. However, since some of the employees that were at one time engaged in the SCR Business of Varian that generated the hazardous substances, pollutants or contaminants waste that Varian turned over to CCCI were subsequently employed by Richardson in its NED Business, Richardson is responding to the Request as best it can with respect to the purchase, use, storage, handling and disposition of hazardous substances, pollutants and chemicals at the Site by the SCR Business.

Request # 1

Identify all persons consulted in the preparation of the answers to these Information Requests.

RESPONSE:

- (a) Eugene F. Loeb  
40W267 Keslinger Road  
LaFox, IL 60147  
Employed by Richardson Electronics, Ltd.  
Job Responsibility: Vice President Corporate Engineering
- (b) Carl Davison  
40W267 Keslinger Road  
LaFox, IL 60147  
Employed by Richardson Electronics, Ltd.  
Job Responsibility: Production Supervisor responsible for manufacturing production of specific units.
- (c) Joseph C. Grill  
40W267 Keslinger Road  
LaFox, IL 60147  
Employed by Richardson Electronics, Ltd.  
Job Responsibility: Vice President of Human Resources
- (d) Leonard R. Prange  
40W267 Keslinger Road  
LaFox, IL 60147  
Employed by Richardson Electronics, Ltd.  
Job Responsibility: Vice President, Treasurer and Chief Financial Officer
- (e) William G. Seils  
40W267 Keslinger Road  
LaFox, IL 60147  
Employed by Richardson Electronics, Ltd.  
Job Responsibility: General Counsel and Corporate Secretary
- (f) Selwyn Marcus  
3100 Dundee Road  
Northbrook, IL 60062  
Employed by Northbrook Risk Managers, Inc.  
Job Responsibility: President of agency, provides insurance coverage to Richardson

Request # 2

Identify all documents consulted, examined, or referred to in the preparation of the answers to these Requests and provide copies of all such documents.

RESPONSE:

Other than general reference works the documents consulted consisted of:

- (a) Agreement of Purchase and Sale between Varian, as seller, and Richardson, as purchaser, dated April 11, 1981, relating to the purchase by Richardson from Varian of the NED Business, a copy of which is attached hereto as pages numbered RE 77 through RE 120.
- (b) Varian's Form 10-K Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended September 29, 1989, a copy of which is attached hereto as pages numbered RE 121 through RE 186.
- (c) Index cards of purchases of materials by the SCR Business, duplicate copies of which are attached hereto as pages numbered RE 1 through RE 50.
- (d) Personnel records, duplicate copies of which are attached hereto as pages numbered RE 277 through RE 280.
- (e) Certificate of Incorporation of Richardson Electronics, Ltd., a copy of which is attached hereto as pages numbered RE 51 through RE 64.
- (f) By-Laws of Richardson, as amended, a copy of which is attached hereto as pages numbered RE 65 through RE 76.
- (g) Financial statements of Richardson for the fiscal years ended May 31, 1985 through May 31, 1989, copies of which are attached hereto as pages numbered RE 187 through RE 236.
- (h) Richardson tax returns for its fiscal year ending May 31, 1987 through May 31, 1989, copies of which are attached hereto as pages numbered RE 245 through RE 263.
- (i) Richardson proxy statement for its annual meeting of shareholders held October 18, 1989, a copy of which is attached hereto as pages numbered RE 264 through RE 276.

Richardson did obtain from Burke, Murphy, Costanza & Cuppy, Attorneys at Law, First National Bank Building, 720 W. Chicago Avenue, East Chicago, Indiana 46312, attorneys for 6500 Industrial Highway Potentially Responsible Party Committee, copies of EPA records of CCCI relating to the disposition at the Site of substances and materials picked up from Varian's SCR Business. Since those documents are in the possession of the EPA copies have not been furnished with this Response.

Request # 3

If you have reason to believe that there may be persons able to provide a more detailed or complete response to any Information Request or who may be able to provide additional responsive documents, identify such persons.

RESPONSE

We have no knowledge of any other persons who could provide additional information or documents. However, it is possible that there are persons in the employ of Varian, who may be able to provide additional responsive documents or information.

Request # 4

List the EPA Identification Numbers of the Respondent.

RESPONSE

United States EPA Identification Number for Richardson is ILD062405204 and the State of Illinois EPA Identification Number for Richardson is 0898030003.

Request # 5

Identify the acts or omissions of any persons, other than your employees, contractors, or agents, that may have caused the release or threat of release of hazardous substances, pollutants, or contaminants and damages resulting therefrom.

RESPONSE:

We have no knowledge of the specific acts or omissions of any person that may have caused the release or threatened release of hazardous substances, pollutants, or contaminants and damages resulting therefrom. If there was or is a



release or threat of release of hazardous substances, pollutants, or contaminants and damages resulting therefrom at the Site we assume they were caused by, or that knowledge of whom they were caused by, is in the possession of the employees, contractors, or agents of CCCI.

Request # 6

Identify all persons having knowledge or information about the generation, transportation, treatment, disposal or other handling of hazardous substances, including but not limited to, AROCLOR 1016, AROCLOR 1221, AROCLOR 1232, AROCLOR 1242, AROCLOR 1248, AROCLOR 1254, AROCLOR 1260, or any other polychlorinated biphenyl (PCB) by you, your contractors, or by prior owners and/operators.

RESPONSE:

- (a) Varian Associates, Inc.  
611 Hansen Way  
Palo Alto, CA 94303
- (b) Conservation Chemical Company of Illinois  
P.O. Box 6066  
Gary, IN 46406
- (c) Eugene F. Loeb  
40W267 Keslinger Road  
LaFox, IL 60147  
Employed by Richardson Electronics, Ltd.  
Job Responsibility: Vice President Corporate Engineering
- (b) Ronald Prevost  
No address record on file  
Last employed by Richardson as Senior Buyer  
Job Responsibility: Obtaining materials from suppliers at lowest cost consistent with considerations of quality, reliability of source and urgency of need.
- (c) Lamonte Walker  
No address record on file  
Last employed by Richardson as Manager - Facilities  
Job Responsibility: Under direction, plans, organizes and manages employees engaged in maintenance and cleaning of grounds, buildings, parking lots, manufacturing machinery and other equipment.

- (d) Harry Haase  
No address record on file  
Last employed by Richardson as Supervisor - Electrical and Mechanical in-process maintenance  
Job Responsibility: Under direction, plans, organizes and directs employees engaged in electrical and mechanical in-process maintenance to support production and building facilities.
- (e) Larry Higgins  
No address record on file  
Last employed by Richardson as Senior Buyer  
Job Responsibility: Obtaining materials from suppliers at lowest cost consistent with considerations of quality, reliability of source and urgency of need.
- (f) Carl Davison  
40W267 Keslinger Road  
LaFox, IL 60147  
Employed by Richardson Electronics, Ltd.  
Job Responsibility: Production Supervisor responsible for manufacturing production of specific units.

Request # 7

Did you ever use, purchase, store, treat, dispose, transport or otherwise handle any hazardous substances or materials, including but not limited to. AROCLOR 1016, AROCLOR 1221, AROCLOR 1232, AROCLOR 1242, AROCLOR 1248, AROCLOR 1254, AROCLOR 1260 or any other (PCB)?

RESPONSE:

No. However, as noted in the Introduction to this Response the National Electronics division of Varian operated a business of manufacturing silicon semiconductor devices, the SCR Business, during a period of approximately 1970 to 1980 when it ceased such operations. It was that manufacturing operation that used the hazardous substances, and generated the wastes that were delivered to CCCI and which CCCI apparently disposed at the Site. The same division of Varian also operated an electron tube manufacturing operation which was purchased by Respondent, Richardson, in 1981. The response to this request sets forth information with respect to Varian's SCR Business provided by Eugene F. Loeb, an employee of Respondent who was also an employee of Varian at the time it operated the SCR Business which used, purchased, stored, treated, disposed, transported and otherwise handled the hazardous substances noted.

Request:

If the answer to the preceding question is anything but an unqualified "no", identify:

a) The chemical composition, characteristics, physical state (e.g., solid, liquid) of each hazardous substance;

RESPONSE:

The following chemicals were used by Varian's SCR Business:

- (1) Acetone  $(\text{CH}_3)_2\text{CO}$ , liquid
- (2) Trichloroethylene  $\text{C}_2\text{H}_3\text{Cl}_3$ , liquid
- (3) Hydrofluoric Acid  $\text{HF}$ , liquid
- (4) Hydrochloric Acid  $\text{HCl}$ , liquid
- (5) Sulphuric Acid  $\text{H}_2\text{SO}_4$ , liquid
- (6) Acetic Acid  $\text{CH}_3\text{CO}_2\text{H}$ , liquid
- (7) Methanol  $\text{CH}_3\text{OH}$ , liquid
- (8) Caustic Soda  $\text{NaOH}$ , liquid
- (9) Cyanide  $\text{KCN}$ , crystals
- (10) Lapping oil, liquid
- (11) Mixed acids, liquid. Mixtures of:
  - Hydrofluoric acid  $\text{HF}$
  - Nitric acid  $\text{HNO}_3$
  - Acetic acid  $\text{CH}_3\text{CO}_2\text{H}$
  - Phosphoric acid  $\text{HPO}_2$
- (12) Freon  $\text{CL}_2\text{CF}_2$ , liquid

Request:

b) Who supplied you with such hazardous substances;

RESPONSE:

Records indicate that the suppliers to Varian's SCR Business for each of the chemicals identified in response to 7.a) above were as set forth below. The numbers correspond to the number identifying the chemical in 7.a) above.

- (1) J.T. Baker Co., Phillipsburg, NJ 08865  
Producers Chemical, Batavia, IL 60510  
Allied Chemical Co., Morristown, NJ 07960
- (2) Baron-Blakeslee Inc., Chicago, IL 60650  
Chemcentral/Chicago, Chicago, IL 60638  
Producers Chemical Co., Batavia, IL 60510  
Detrex Chemical Inc., Melrose Park, IL 60160
- (3) J.T. Baker Co., Phillipsburg, NJ 08865  
Allied Chemical Co., Morristown, NJ 07960
- (4) J.T. Baker Chemical Co., Phillipsburg, NJ 08865  
Allied Chemical Co., Morristown, NJ 07960  
Producers Chemical Co., Batavia, IL 60510  
Mallinckrodt Chemical Co., St. Louis MO 63160

- (5) Producers Chemical Co., Batavia, IL 60510
- (6) Allied Chemical Co., Morristown, NJ 07960  
J.T. Baker Chemical Co., Phillipsburg, NJ 08865
- (7) Producers Chemical Co., Batavia, IL 60510  
Phillip & Martin, Addison, IL 60101
- (8) Producers Chemical Co., Batavia, IL 60510
- (9) No supplier record available
- (10) Crane Packing Co., Rosemont, IL 60018
- (11) Allied Chemical Co., Morristown, NJ 07960  
Mallinckrodt Chemical Co., St. Louis MO 63160
- (12) Baron-Blakeslee Inc., Chicago, IL 60650  
Detrex Chemical Ind., Melrose Park, IL 60160

Request:

c) How such hazardous substances were used, purchased, generated, stored, treated, transported, disposed or otherwise handled by you;

RESPONSE:

c) As previously stated these chemicals were not used by Richardson, but were used by Varian's SCR Business in the production processes of silicon semiconductor devices, specifically silicon rectifiers and silicon controlled rectifiers during the 1970's. Varian exited the semiconductor manufacturing business in 1980, discontinuing the use of the substances specific to this product line.

The substances were all purchased from outside suppliers as indicated in the Response to 7.b) above. None were generated on site.

The virgin purchased substances were stored in a safe hazardous materials storage area. The spent substances were stored likewise in a separate area.

The spent substances were disposed of through EPA approved disposal agents, such as CCCI. Some small amounts may have been neutralized on site, qualifying them for disposal as nonhazardous substances.

Request:

d) When such hazardous substances were used, purchased, generated, stored, treated, transported, disposed or otherwise handled by you;

RESPONSE:

d) As previously stated these chemicals were not used by Richardson, but were used by Varian's SCR Business. The

bulk of these substances were used, purchased, stored, transported, handled and disposed of by Varian's SCR Business between about 1970 and 1980.

Request:

e) Where such hazardous substances were used, purchased, generated, stored, treated, transported, disposed or otherwise handled by you; and

RESPONSE:

e) As previously stated these chemicals were not used by Richardson, but were used by Varian's SCR Business. These substances were used, purchased, and stored by the Varian SCR Business at

National Electronics  
Division of Varian Associates, Inc.  
40W267 Keslinger Road  
LaFox, IL 60147

Disposal originated from that location as noted in 7.c) above.

Request:

f) The quantity of such hazardous substances used, purchased, generated, stored, treated, transported, disposed or otherwise handled by you.

RESPONSE:

f) As previously stated these chemicals were not used by Richardson, but were used by Varian's SCR Business. Based on index cards reflecting purchases by Varian's SCR Business we have calculated an estimate of the annual usage of these chemicals by Varian's SCR Business. These quantities are approximates, based on the sketchy purchasing records available, covering the period of 1970-1980. The records available cover generally 1977-1980, which were peak use years. The business was small in 1970, growing steadily until ended in 1980. So the usages represent approximate average yearly usage for this period.

1.	Acetone	3,000 gals/yr.
2.	Trichloroethylene	5,000 gals/yr.
3.	Hydroflouric acid	1,000 gals/yr.
4.	Hydrochloric acid	1,000 gals/yr.
5.	Sulphuric acid	200 gals/yr.
6.	Acetic acid	250 gals/yr.
7.	Methanol	1,000 gals/yr.

8.	Caustic soda	50 gals/yr.
9.	Cyanide	10 gals/yr.
10.	Lapping oil	300 gals/yr.
11.	Mixed acids	2,000 gals/yr.
12.	Freon	600 gals/yr.

Request # 8

Identify all liability insurance policies held by Respondent from 1970 to 1985. In identifying such policies, state the name and address of each insurer and of the insured, the amount of coverage under each policy, the commencement and expiration dates for each policy, whether or not the policy contains a "pollution exclusion" clause, and whether the policy covers or excludes sudden, nonsudden or both types of accidents. In lieu of providing this information, you may submit complete copies of all relevant insurance policies.

RESPONSE:

Richardson does not have liability insurance policies that may have been held by Varian's SCR Business. Richardson does not have on its premises its policies for the period required. To the extent they are available they are being assembled by Richardson's insurance agent, Northbrook Risk Managers, Inc. They or the information will be delivered upon receipt.

Request # 9

Provide copies of all income tax returns sent to the Federal Internal Revenue Service in the last three years.

RESPONSE:

See attached document production numbers RE 245 through RE 263.

Request # 10.

If Respondent is a Corporation, respond to the following requests:

a) Provide a copy of the Articles of Incorporation and By-Laws of the Respondent;

RESPONSE:

See attached document production numbers RE 51 through RE 76;

b) Provide Respondent's financial statements for the past five fiscal years, including, but not limited to those filed with the Internal Revenue Service.

RESPONSE:

See attached document production numbers RE 187 through RE 236;

c) Identify all of Respondent's current assets and liabilities and the person who currently own or are responsible for such assets and liabilities.

RESPONSE:

See attached document production numbers RE 237 through RE 244, which sets forth the most current statement of Respondent's assets and liabilities. See also attached document production numbers RE 264 through RE 276 which sets forth information on ownership of Richardson and its board of directors on pages numbers RE 264 through RE 269.

Request # 11

If Respondent is a Partnership, provide copies of the Partnership Agreement.

RESPONSE:

NA

Request # 12

If Respondent is a Trust, provide all relevant agreements and documents to support this claim.

RESPONSE:

NA

DESCRIPTION	DEVICE	Quant./M	Bin No.	PART NO. 5X212
#13 TRICLENE MD, 660-LB. #43 DRUMS, FACTORY SEALED.			ACCOUNT NO.	PRICE BREAKS
			51608/5% 55608/95%	#1 .250 M W 100
			<input type="checkbox"/> DO NOT TAX, FOR RESALE <input checked="" type="checkbox"/> ADD TAX, NOT FOR RESALE	
			<input type="checkbox"/> ORIGIN DELV <input type="checkbox"/> DESTINAT.	#1 .2750 #1
#2. NEU-TRI 660-LB. DRUMS, FACTORY SEALED.			CARD ROUTING SEMCO	#2 .29 10/10
#3. BLACO-TRI				

SHIP TO:	SHIP VIA:	IN PLANT DESTINATION: REC. <input type="checkbox"/> STOCK <input type="checkbox"/> INSP. <input type="checkbox"/> DIV. <input type="checkbox"/>	PLAN LEAD TIME
KEY 12/13/79	VENDOR NAME	ADDRESS	TERMS LEAD TIMES
1	BARON-BLAKESLEE, INC., 1620 S. LARAMIE AVE., CHICAGO, IL 60650		NET 30
2	CHEMCENTRAL/CHICAGO, 7050 W. 71ST ST., CHICAGO, IL 60638		NET 30 2000
3	PRODUCERS CHEMICAL CO., S. RIVER ST., BATAVIA, IL 60510		NET 30
4	DETREX CHEMICAL INDUSTRIES, GOLD SHIELD SOLVENTS DIV., 2537 LEMOYNE, MELROSE PARK, IL 60160		NET 30

REQUISITION										MELROSE PARK, IL 60160		RECEIVED		
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY (unit)
11/16	8	15 DM	12/3/79	Copied		4	74866	12-3-79	15 DM	209.25	2	MP	12/3	15C
12/10	9	15 DM	1/3/80	Copied		4	75066	1-3-80	15 DM	184.80	2	MP	1/3	15C
3/14	9	15 DM	8/7/80	MP		4	75647	3-7-80	15 DM	184.80	2	MP	7/11	15C
5-2-80	8	15 DM	6/6/80	MP		4	76320	6-6-80	15 DM	198.00	2	MP	6/9/80	15C
11/4/80	8													

Order Point	Ord. Quantity	Max. Stock	Monthly Average	PART NO. 5X212
9X-75 8 DM	6 DM		9 DM	

000RE 7





## DISBURSEMENTS &amp; RECEIPTS

DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND
3/11	75647	12		16	7/4/80	20012		1	14										
3/12	18909		1	15	8/6/80	20022		1	13										
8/14	18910	4+		19	7/9/80	20039		1	12										
7/20	18918		2	17	7/18/80	20058		1	11										
3/21	18940		1	16	12/6/80	20077		1	10										
4-5-80	18943		1	15	8/21/80	20091		1	9										
4-5-80	18954		3	12	11/10/80	20223		1	8										
4-21-80	18961		1	11	12/4/80	20289		1	7										
5-1-80	18984		1	10	8/2/80	20259		1	6										
5-29-80	18985		1	9	7/10/80	20261		1	5										
5-29-80	18985		1	8															
5-18-80	19001		1	7															
5-18-80	19007		2	5															
6/2/80	19033		1	4															
6/4/80	19037		1	3															
6/9/80	50338	15		18															
6/21/80	19064		1	17															
7/1/80	50335	1		18															
7/11/80	19080		1	17															
7-20-80	19092		* 2	15															

op 8

5X 212      Tridean Trichloroethylene      outside

000RE9

DESCRIPTION				DEVICE	Quant. /M	Bin No.	PART NO. 5X211							
ACETONE (1 DR=350 LB) 1. #9006 BAKER MFG # 2. CP GRADE-FACTORY PACKED 4. ELECTRONIC GRADE						ACCOUNT NO. 636401 55608		PRICE BREAKS						
						<input type="checkbox"/> DO NOT TAX, FOR RESALE <input checked="" type="checkbox"/> ADD TAX, NOT FOR RESALE								
				DRUMS		<input checked="" type="checkbox"/> ORIGIN <input type="checkbox"/> DESTINAT.								
						CARD ROUTING SEMCO								
SHIP TO:		SHIP VIA: 55 fdr			IN PLANT DESTINATION:			PLAN LEAD TIME						
					REC. INSP. <input type="checkbox"/> STOCK DIV. <input type="checkbox"/>									
KEY	VENDOR NAME			ADDRESS			08865	TERMS						
1	J.T. BAKER CHEMICAL CO., 222 RED SCHOOL LANE, PHILLIPSBURG, N.J.						1810DA							
2	PRODUCERS CHEMICAL, S. RIVER ST., BATAVIA, ILL 60510						NET 30							
3	SARGENT WELCH CO., 7300 N. LINDER ST., SKOKIE, ILL 60076						NET 30							
4	ALLIED CHEMICAL CORP., CENTRAL ORDER SERVICE DEPT., P.O. BOX						NET 30							
REQUISITION				MORRISTOWN, N.J. 07960				RECEIVED						
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY (unit)
7/27	10	14 drums	copied			4	73635	8-27-79	4900 LBS 14 Drums	.36 LB	2	7-31 MP	8/1	4 C
7/12	1	1-	10/1			4	74125	10-5-79	4900 LBS 14 DRUMS	.36 LB	2	9-4 MP	11/1	2
10/14	8	14 drums	11/6/79			4	74453	11-6-79	14 DM	126.00 DM	2	11-18 MP	11/7	14 C
11/7	13	14 drums	12/3/79			4	74747	12-3-79	14 DM	126.00 DM	2	11-9 MP		13
12/9	12	14 drums	1/2/80			4	75211	1-21-80	14 DM	126.00 DM	2	12-31 MP	2/1	15 C
Order Point		Ord. Quantity		Max. Stock		Monthly Average		PART NO.						
9X-75 10 DM						12 DM		5X-211						

REQUISITION										PURCHASE									
REQN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APPROV.	DATE	TIME	INITIALS	REMARKS	DATE	TIME	INITIALS
7-21	14	14	2/2/80	OK	071	4	75498	2-8-80	14 DM	126.00	2	1-16	1-16	1-16	1-16	1-16	1-16	1-16	1-16
3/4	14	14	4/4/80	OK	071	4	75814	4-4-80	14 DM	126.00	2	1-16	1-16	1-16	1-16	1-16	1-16	1-16	1-16
4/8/80	11	14	5/7/80	OK	071	4	76211	5-9-80	14 DM	126.00	2	1-16	1-16	1-16	1-16	1-16	1-16	1-16	1-16
4/18/80	9	14	6/2/80	OK	071	4	76598	6-20-80	14 DM	126.00	2	1-16	1-16	1-16	1-16	1-16	1-16	1-16	1-16
7/29/80	10	14	10/3/80	OK	071	4	76901	10-3-80	14 DM	126.00	2	1-16	1-16	1-16	1-16	1-16	1-16	1-16	1-16
9/23/80	11	14	11/4/80	OK	071	4	77406	11-4-80	14 DM	126.00	2	1-16	1-16	1-16	1-16	1-16	1-16	1-16	1-16
11/4/80	0	3	12/5/80	OK	071	2	77415	12-5-80	3 DM	136.00	2	1-16	1-16	1-16	1-16	1-16	1-16	1-16	1-16
9-9-82	0	2	9-9-82	OK	071	2	83341	9-9-82	2 DM										
1-5-83	0	2	1-5-83	OK	071	2	7045	1-5-83	2 DM										



## DISBURSEMENTS &amp; RECEIPTS

DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND
1/8	17783		1	13	1/10	8090		1	7	2/21	18421		1	15	4/21/80	18569		1	10
1/13	17790		1	12	JAN 11 '80				7	3/8	18521	3		18	4/22/80	18966		1	9
1/14	17786		1	11	1/14	18057		1	6	3/29	18456		2	16	4/24/80	18972		1	8
1/19	18003		1	10	1/16	18403		1	5	3/4	18488		2	14	4/28/80	18979		1	7
1/20	18009		1	9	1/17	75211	9		14	3/5	18494		1	13	5/1/80	18984		1	6
1/23	18017		1	8	1/18	18002		1	13	3/10	18500		1	12	5/2/80	18985		1	5
1/30	18022		1	7	1/23	18007		1	12	3/11	18901		1	11	5/8/80	18995		1	4
1/31	18033		1	6	1/24	18021		1	11	3/13	18908		1	10	5/9/80	18999		1	3
1/30	18035		1	5	1/25	18011	1	1	12	3/17	18912		1	9	5/12/80	19024	14		17
1/31	74747	13		18	1/29	18426		1	11	3/20	18918		1	8	5/14/80	19006		1	16
1/1	18047		1	17	1/30	18422		1	10	3/28	18924		2	6	5/16/80	19010		1	15
1/12	18051		1	16	1/31	18030		1	9	3/29	18928		1	5	5/20/80	19013		1	14
1/12	18052		1	15	2/4	18440		1	8	3/26/80	18511	14		19	5/22/80	19017		1	13
1/12	18051		1	14	2/6	18440		1	7	3/27/80	18929		1	18	5/28/80	19025		1	12
1/14	18052		1	13	2/8	75498	14		21	1/1/80	18936		1	17	5/30/80	19030		1	11
1/10	18067		1	12	2/8	18448		1	20	4/7/80	18945		1	16	5/2/80	19033		1	10
1/21	18055		1	11	2/11	18060		1	19	4/8/80	18944		1	15	5/4/80	19037		1	9
1/3	18055		1	10	3/12	18456		1	18	4/11/80	18951		1	14	5/5/80	19043		1	8
1/6	18055		1	9	4/15	18444		1	17				1	13	5/11/80	19047		1	7
1/2	18055		1	8	3/19	18444		1	16	4/18/80	18962		2	11	5/16/80	19053		1	6

MINIMUM 0.01 10  
MAXIMUM

SHORT NUMBER	ARTICLE	QUANTITY	UNIT	PRICE	TOTAL	DATE	REMARKS
5X211	actone						

Ball Bros for 6

DISBURSEMENTS & RECEIPTS

DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND
4/1/80	19059		1	5	9/1/80	20024		1	9	12/1/80	20057		1	5					
5/1/80	19060	14		19	9/2/80	20027		1	8	2/5/81	20060		1	4					
5/1/80	19063		1	18	9/7/80	20028		1	7	2/1/81	20062		1	3					
5/1/80	19064		1	17	9/9/80	20026		2	5	3/25/81	20063		1	2					
7/1/80	19069		1	16	9/20/80	50274	1		6					9					
7/1/80	19074		1	15	12/1/80	20091		1	5	9-9-82		2		2					
11/1/80	19080		1	14	9/20/80	20204		1	4	7-9-82			1	1					
1/1/81	19083		1	13	9/30/80	20210		1	3					0					
2/1/81	19089		1	12	11/4/80	20214		1	2	1-6-83			2	2					
2/1/81	20002		2	10	11/5/80	20218		2	0	1-17-83		1		1					
4/1/81	20012		2	8	11/16/80	7744	14		14										
7/1/81	20018		1	7	11/14/80	77415	3		17										
1/2/81	20022		2	5	11/18/80	20230		2	15										
1/2/81	20031		1	4	12/1/80	20232		2	13										
1/7/81	20039		1	3	12/4/80			1	12										
1/12/81	20047		2	1	12/10/80	20242		1	11										
1/5/81	20049		1	0	12/14/80	20242		1	10										
9/1/81	16901	14		14	12/21/80	20246		2	8										
1/8/82	20055		2	12	11/21/80	20244		1	7										
2/5/82	20066		2	10	11/4/91	20251		1	6										

DESCRIPTION

MINIMUM

MAXIMUM

28  
10

VP 21803

SHORT

ARTICLE

ORDERED

SHIPPED

LONG

5X211

Acetone

5X-209

Alkane Acid

Balance: 2.716 Bottle

Est. yearly usage

20 Bottle per year

Will need in January - latest  
for ignition - Some Service  
usage

TT 1054 6228 1059  
1034 688 ENL SPECIAL S



(5)

BCCI records  
Box 1102 Carlton 514  
Mary Sals info

P - Barber Coleman Co., Rockford

A. H. Guernsey,  
Purchasing

Only outbound chemical of consequence is 2,000 gallons a month of mixed oils including lub oils, cutting oils, and probably hydraulic oils. Never the less he would like our brochure. Will Kansas City please send to A. H. Guernsey, Purchasing, Barber Coleman Co., 1300 Rock St., Rockford, Ill. 61101.

P - Admiral Radio, Harvard, Ill.

Attempted to phone Orland Turrif but he was per usual not available. The phone service in this place is terrible. Will phone from Lake Loff later.

November 22, 1974

Northshore Sanitary District -

Bill Koepsal

The second tank wagon of ferric chloride from Conservation is delivered, they are resting easier with us. Bids for the 1975 ferric chloride and lime requirements will be mailed out shortly, we helped Koepsal on his rewording to include 26% ferric chloride.

P - EPA, Springfield, Ill.

W. Child

Child returned my phone call to say that he had been unable to obtain any policy clarification regarding liquid chemical disposal in land fills. Nevertheless they were sending us what data they had available in regard to Pagel's pit. We will have to see what they finally show up with.

Child also suggests that the only way I can assemble the picture of "what is happening" is to come to Springfield and talk to the people. He volunteers to arrange appointments for me and introductions with several important people involved including his boss, etc. (N.B. Hjersted vetos this to my regret. I believe that this is the only way that we will find out what the thinking is. Whether the thinking stays put after our investigation of it is of course a matter of speculation).

November 25, 1974

Phone Conference with Art Davis:

Trent Tube - Art suggests I call here, East Troy, Wis. to check this situation in view of receipt of an inquiry from Trent Tube for prices on substantial quantities of a pickle liquor or neutralized sludge from same. This account has to now been handled through Hydrite Chemical.

Samples of Pickle Liquor not yet received from Northwest Steel & Wire - Horn phoned Northwest to find they have not been sent, are still coming when available.

End of conference with Art Davis.

P - Corey Steel

Perkins

The machinery to produce copperas and rejuvenate his pickle liquor is out of commission. He has some 6,000 gallons a week of pickle liquor available and will receive a quotation from us on this. I asked for a sample which he says will be available in a week or so. They are rebuilding their acid tanks. Horn will pick up this sample and rush it to Gary for this is a clean pickle liquor, sulphuric. It would be of use to us in several directions. Perkins says it will be a year or more before they get the new parts for their centrifuge for their rejuvenating

4/5/50 report due 5/2

Electronic National Electronics

Warren ~~the~~ Crocodile, the  
611 Hansen Way National Shrine

found out if any enlarges

James Campbell  
London, N. York

Christ with  
me beside.

brother  
and  
doxide  
that

Robert.

don't  
problem  
chromosomes  
initiate

Ammonium (carbon)

Walden

[illegible]

Wm. B. Brown

BURKE, MURPHY, COSTANZA & CUPPY

ATTORNEYS AT LAW

610 GAINER BANK CENTER

8585 BROADWAY

MERRILLVILLE, INDIANA 46410-7092

(219) 769-1313

TELECOPIER (219) 769-6806

RODNEY B. DYERLY  
OF COUNSEL

FIRST NATIONAL BANK BUILDING  
720 W. CHICAGO AVENUE  
EAST CHICAGO, INDIANA 46312  
(219) 397-2401  
TELECOPIER (219) 397-0508

May 3, 1990

EDWARD L. BURKE  
LESTER F. MURPHY\*\*  
JOSEPH E. COSTANZA\*  
FREDERICK M. CUPPY  
GERALD K. HREBEC  
ANDREW J. KOPKO\*  
LAMBERT C. GENETOS  
GEORGE W. CARBERRY  
DAVID K. RANICH  
KATHRYN D. SCHMIDT  
DAVID CERVEN  
DEMETRI J. RETSON\*  
ELIZABETH P. MOENNING\*  
PHILLIP A. NORMAN  
PAULA E. NEFF\*  
A. TED KUNDRAT  
LILY M. SCHAEFER

\*ALSO ADMITTED IN ILLINOIS

\*\*ALSO ADMITTED IN ILLINOIS AND FLORIDA

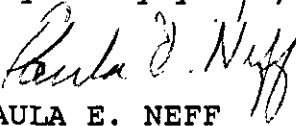
Mary L. Fulghum, Esq.  
Assistant Regional Counsel  
United States Environmental  
Protection Agency  
Region V  
230 South Dearborn Street  
Chicago, IL 60604

Dear Ms. Fulghum:

We enclose at your request a copy of the last known address and contact person for the 247 potentially responsible parties originally listed by the USEPA in connection with the Conservation Chemical Site of Illinois, Gary, Indiana, facility.

It will be apparent upon reviewing the enclosed list that for some of the listed PRP's there are no addresses available to us. Upon review of the information if you have further questions, please do give me a call.

Very truly yours,

  
PAULA E. NEFF

PEN/jr

Enclosure

DESCRIPTION				DEVICE		Quant./M		Bin No.		PART NO. 5X-208									
<b>#9539 HYDROCHLORIC ACID, ELECTRONIC GRADE (6 X 51/PER CASE) 4 x 10</b>								ACCOUNT NO. <b>55608</b>		PRICE BREAKS									
								<input type="checkbox"/> DO NOT TAX, FOR RESALE		<input checked="" type="checkbox"/> ADD TAX, NOT FOR RESALE									
								<input checked="" type="checkbox"/> ORIGIN		<input type="checkbox"/> DESTINAT.									
								CARD ROUTING		<b>SEMCO</b>									
SHIP TO:				SHIP VIA:				IN PLANT DESTINATION:		PLAN LEAD TIME									
								REC. INSP. <input type="checkbox"/> STOCK DIV. <input type="checkbox"/>											
KEY (9-177)				VENDOR NAME				ADDRESS				08865							
1				J.T.BAKER CHEMICAL CO., 222 RED SCHOOL LANE, PHILLIPSBURG, N.J.				1810DA											
2				MALLINCKRODT CHEMICAL CO., 1ND & MALLINCKRODT STS., ST. LOUIS, MO				63160				NET 30							
3				ALLIED CHEMICAL CORP., CENTRAL ORDER SERVICE DEPT., P.O. BOX 1087R				MORRISTOWN, N. J. 07960				NET 30							
4												1/4X Extra 5/11 RECEIVED							
REQUISITION										PURCHASE									
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY (unit)					
8/26/77	19	48	9/2/77	Acad	3	68624	9/2/77	48 cases	.4916										
10/2/77	20	48	11/6/77	3	68624	10/26/77	48 cases	.4916											
		48	11/16/77	3	68624	11/29/77	48 cases	.4416						48 C					
11/30/77	9	48	12/7/77	3	68624	12/7/77	48 cases	.4416						48 C					
3/16/78	9	48	3/16/78	3	68624	3/16/78	48 cases	.4416						45					
Order Point 9X-75				Ord. Quantity 48				Max. Stock				Monthly Average 40							
										PART NO. 5X-208									

00RE10

DATE	STOCK	QUANT.	UNIT	RECEIVED	DATE	BY	KEY	P.O. NO.	DUE DATE	QUANTITY	UNIT PRICE	AMOUNT
4/13	8	48	case	4/13	4/13	4/13	1	68624	4/13	48	49.16	2359.68
4/15	10	48	case	5/23	4/15	4/15	3	68624	5/23/75	48	49.16	2359.68
6/29	13	48	case	7/12	6/29	6/29	3	68624	7/12/75	48	49.16	2359.68
8/29	12	48	case	9/11/75	8/29	8/29	3	68624	9/11/75	48	49.16	2359.68
10/13	11	48	case	10/30/75	10/13	10/13	3	71922	10/30/75	48	49.16	2359.68
12/18	10	48	case	1/4/79	12/18	12/18	3	72282	1/4/79	48	49.16	2359.68
2/13	8	48	case	2/13	2/13	2/13	3	72654	2-28-79	48	49.16	2359.68
5/23	15	48	case	6/18/79	5/23	5/23	3	73210	6-8-79	48	49.16	2359.68
10/6	15	48	case	11/17/79	10/6	10/6	3	74349	11-1-79	48	49.16	2359.68
12/19	18	48	case	11/30	12/19	12/19	3	75211	1-11-80	48	49.16	2359.68
4/28	22	48	case	3/25/80	4/28	4/28	3	75814	3-28-80	48	49.16	2359.68

DATE	QUANTITY IN	QUANTITY OUT	DATE	QUANTITY IN	QUANTITY OUT	DATE	QUANTITY IN	QUANTITY OUT	DATE	QUANTITY IN	QUANTITY OUT	DATE	QUANTITY IN	QUANTITY OUT	DATE	QUANTITY IN	QUANTITY OUT
2/6/51	16388	7	5/7	5990		7/16	16388										
3/2	70654	48	5/9	15777		7/19	70654										
3/2	16253	3	5/4	16515		7/16	16253										
3/2	16253	2	5/17	16515		7/15	16253										
3/6	16243	2	5/21	16505		7/20	16243										
3/7	16247	2	5/22	16527		7/26	16247										
3/8	16271	1	5/25	16538		7/30	16271										
3/12	16276	1	5/29	16541		8/3	16276										
3/14	16282	2	5/30	16543		8/10	16282										
3/15	16284	2	5/31	16549		8/18	16284										
3/20	16295	1	6/4	16555		8/20	16295										
3/28	15910	2	6/5	16558		8/21	15910										
4/3	15924	2	6/8	16568		8/27	15924										
4/6	15933	1	6/11	16573		8/29	15933										
4/9	15936	1	6/13	16577		9/1	15936										
4/13	15940	1	6/18	16581		9/5	15940										
4/12	15945	1	6/22	16583		9/10	15945										
4/30	15974	2	6/24	16910		9/12	15974										
5/1	15979	1	7/9	16914		9/13	15979										
5/4	15985	1	7/13	16926		9/14	15985										

DESCRIPTION		MINIMUM		MAXIMUM	
		Op 70 15			
SHORT NUMBER		ARTICLE		ORDERED	
5x208		H.C.L. Acid bottles		SHIPPED	
				SECTION	
				Wentworth	

[illegible]

DESCRIPTION		DEVICE	Quant./M	Bin No.	PART NO. 5X9005	
METHANOL - TECHNICAL GRADE IN 55-GAL DRUM				ACCOUNT NO. 55608		PRICE BREAKS 3-15-15 Price will be 11-2-79 to 11-2-79
				<input type="checkbox"/> DO NOT TAX, FOR RESALE <input checked="" type="checkbox"/> ADD TAX, NOT FOR RESALE		
				<input type="checkbox"/> ORIGIN <input checked="" type="checkbox"/> DESTINAT.		
				CARD ROUTING SEMCO		
SHIP TO:		SHIP VIA:		IN PLANT DESTINATION:		PLAN LEAD TIME
KEY (10-12-78) (12520)		VENDOR NAME		ADDRESS 543-6565		TERMS
1		PHILLIPS & MARTIN, 138 FACTORY RD., ADDISON, ILL. 60101				LEAD TIMES 4-12-79
2						NET 30
3						
4						

REQUISITION							PURCHASE				RECEIVED			
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY (unit)
10-1-78	4	5 gal	11/1/78	WJ	WJ	1	718-1	11/1/78	5 gal	1.02	WJ	WJ	11/1/78	5 gal
11/1/78	2	5 gal	11/1/78	WJ	WJ	1	72065	11-17-78	275 gal	1.08	WJ	WJ	11/1/78	275 gal
3/10	4	2	3/23/79	WJ	WJ	1	20934	3-23-79	2 gal	116	WJ	WJ	3/19	2 gal
4/9	2	2	4-26-79	WJ	WJ	1	21088	4-26-79	2 gal	110	WJ	WJ	4/15	2 gal
5/22	3	2 gal	6/13/79	WJ	WJ	1	21282	6-13-79	140 gal	146	WJ	WJ	6/19	140 gal

Order Point	Ord. Quantity	Max. Stock	Monthly Average	PART NO. METHANOL
9X-75	2		2	



5X9005

REQUISITION							PURCHASE				RECEIVED			
REQN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ BY	APP BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP BY	DATE	QUANTITY (2)
8/2	2	2 drum	8/29/79	WY	DM	1	73840	8-22-79	110 gal	1.50 gal	(signature)	(signature)	8/24/79	2 C
8/27	1	2 drum	9/3/79	WY	DM	1	73958	8-25-79	110 gal	1.50 gal	(signature)	(signature)	9/6/79	2 C
9/12	2	2 drum	9/28/80	WY	DM	1	74190	9-28-79	110 gal	1.50 gal	(signature)	(signature)	10/2/79	2 C
9/11	2	2 drum	10/25/79	WY	DM	1	74494	10-25-79	110 gal	1.50 gal	(signature)	(signature)	10/25/79	2 C
10/7	2	2 drum	11/29/79	WY	DM	1	74772	11-29-79	2 DM 31"	1.50 gal	(signature)	(signature)	11/29/79	2 C
12/3	2	2 drum	1/4/80	WY	DM	1	75063	1-4-80 Not Rec'd	110 gal	1.50 gal	(signature)	(signature)	1/7/80	2 C
1/17	2	2 dr	1/28/80	WY	DM	1	75451	1-29-80	110 gal	1.73 gal	(signature)	(signature)	1/30/80	2 C
1/30	2	2 dr	2/15/80	WY	DM	1	75531	2-15-80 Not Rec'd	110 gal	1.73 gal	(signature)	(signature)	2/20/80	2 C

## DISBURSEMENTS &amp; RECEIPTS

DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND
7/1/75	100			11	2/2	6742		1	14	2/5/76	1068		1	2	6/17	58347	10		13
4/12	2727		1	10	3/1	6783		1	13	2/17/76	1068	10		12	6/17	10613		1	12
5/8	Correct Bal		7		3/11	5765		1	12	11/11/76	1099		1	11	2/14/77	10688		1	11
3/16	293		1	6	3/4	5806		1	11	1/21/77	10715		1	10	2/21/77	10715		1	10
4/12	463		1	5	3/31	5831		4	7	2/1/77	10670		1	9	2/24/77	10734			4
4/20	60159	12		17	4/6	5847		1	6	1/17/77	8789		1	8	3/11/77	10734		1	3
7/8	4919		1	16	4/22	7235		1	5	4/17/77	8978		1	7	5/31/77	10772		1	2
8/7	4		1	15	5/1	7280		1	4	1/9/77	9132		1	6	5/1/77	6818	10		12
5/2	58085		1	14	5/24	5848	10		14	2/17/77	9184		1	5	5/1	1077		1	11
5/29	5081		1	13	5/25	5834		1	13	2/17/77	9228		1	4	2/15/77	10780		1	10
6/25	5857		1	12	6/11	5874		1	12	2/17/77	9251		1	3	5/1/77	10783		1	9
11/6	583		1	11	6/21	5802		1	11	8/1/77	6782	9		12	9/1/77	11072		1	8
11/21	6037		1	10	7/7	7807		1	10	2/17/77	9216		1	11	9/1/77	11091		1	7
11/24	Correct Bal		0		7/24	7897		1	9	3/2/77	9863		1	10	Correct bal				6
11/25	624	10		10	8/17	6048		1	8	3/10/77	9865		1	9	9/24/77	11114		1	5
12/1	6047		1	9	8/17	6047		1	7	Correct bal			7		10/6/77	11158		1	4
1/1/76	6050	10		19	9/24	1420		1	6	4/15/77	1401		1	6	Correct bal				3
1/10	6051		2	17	9/24	1471		1	5	5/1/77	1084		1	5	1/10	11464		1	2
1/5	6082		1	16	11/2	14204		1	4	5/1/77	1084		1	4	Correct bal				3
1/28	6093		1	15	11/2	1423		1	3	6/2/77	10278		1	3	6/2/77	11471		1	2

DESCRIPTION

MINIMUM

C.P.

4

MAXIMUM

VF 21803

SHORT NUMBER	ARTICLE	ORDERED	SHIPPED	SECTION	ASLE	LONG
MISC.	METHANOL			8073	05	

11RE 24

5X9005		Medium		Method		BAND		L		M		N		O		P		Q		R		S		T		U		V		W		X		Y		Z		AA		AB		AC		AD		AE		AF		AG		AH		AI		AJ		AK		AL		AM		AN		AO		AP		AQ		AR		AS		AT		AU		AV		AW		AX		AY		AZ		BA		BB		BC		BD		BE		BF		BG		BH		BI		BJ		BK		BL		BM		BN		BO		BP		BQ		BR		BS		BT		BU		BV		BW		BX		BY		BZ		CA		CB		CC		CD		CE		CF		CG		CH		CI		CJ		CK		CL		CM		CN		CO		CP		CQ		CR		CS		CT		CU		CV		CW		CX		CY		CZ		DA		DB		DC		DD		DE		DF		DG		DH		DI		DJ		DK		DL		DM		DN		DO		DP		DQ		DR		DS		DT		DU		DV		DW		DX		DY		DZ		EA		EB		EC		ED		EE		EF		EG		EH		EI		EJ		EK		EL		EM		EN		EO		EP		EQ		ER		ES		ET		EU		EV		EW		EX		EY		EZ		FA		FB		FC		FD		FE		FF		FG		FH		FI		FJ		FK		FL		FM		FN		FO		FP		FQ		FR		FS		FT		FU		FV		FW		FX		FY		FZ		GA		GB		GC		GD		GE		GF		GG		GH		GI		GJ		GK		GL		GM		GN		GO		GP		GQ		GR		GS		GT		GU		GV		GW		GX		GY		GZ		HA		HB		HC		HD		HE		HF		HG		HH		HI		HJ		HK		HL		HM		HN		HO		HP		HQ		HR		HS		HT		HU		HV		HW		HX		HY		HZ		IA		IB		IC		ID		IE		IF		IG		IH		II		IJ		IK		IL		IM		IN		IO		IP		IQ		IR		IS		IT		IU		IV		IW		IX		IY		IZ		JA		JB		JC		JD		JE		JF		JG		JH		JI		JJ		JK		JL		JM		JN		JO		JP		JQ		JR		JS		JT		JU		JV		JW		JX		JY		JZ		KA		KB		KC		KD		KE		KF		KG		KH		KI		KJ		KL		KM		KN		KO		KP		KQ		KR		KS		KT		KU		KV		KW		KX		KY		KZ		LA		LB		LC		LD		LE		LF		LG		LH		LI		LJ		LK		LM		LN		LO		LP		LQ		LR		LS		LT		LU		LV		LW		LX		LY		LZ		MA		MB		MC		MD		ME		MF		MG		MH		MI		MJ		MK		ML		MM		MN		MO		MP		MQ		MR		MS		MT		MU		MV		MW		MX		MY		MZ		NA		NB		NC		ND		NE		NF		NG		NH		NI		NJ		NK		NL		NM		NN		NO		NP		NQ		NR		NS		NT		NU		NV		NW		NX		NY		NZ		OA		OB		OC		OD		OE		OF		OG		OH		OI		OJ		OK		OL		OM		ON		OO		OP		OQ		OR		OS		OT		OU		OV		OW		OX		OY		OZ		PA		PB		PC		PD		PE		PF		PG		PH		PI		PJ		PK		PL		PM		PN		PO		PP		PQ		PR		PS		PT		PU		PV		PW		PX		PY		PZ		QA		QB		QC		QD		QE		QF		QG		QH		QI		QJ		QK		QL		QM		QN		QO		QP		QQ		QR		QS		QT		QU		QV		QW		QX		QY		QZ		RA		RB		RC		RD		RE		RF		RG		RH		RI		RJ		RK		RL		RM		RN		RO		RP		RQ		RR		RS		RT		RU		RV		RW		RX		RY		RZ		SA		SB		SC		SD		SE		SF		SG		SH		SI		SJ		SK		SL		SM		SN		SO		SP		SQ		SR		SS		ST		SU		SV		SW		SX		SY		SZ		TA		TB		TC		TD		TE		TF		TG		TH		TI		TJ		TK		TL		TM		TN		TO		TP		TQ		TR		TS		TT		TU		TV		TW		TX		TY		TZ		UA		UB		UC		UD		UE		UF		UG		UH		UI		UJ		UK		UL		UM		UN		UO		UP		UQ		UR		US		UT		UU		UV		UW		UX		UY		UZ		VA		VB		VC		VD		VE		VF		VG		VH		VI		VJ		VK		VL		VM		VN		VO		VP		VQ		VR		VS		VT		VU		VV		VW		VX		VY		VZ		WA		WB		WC		WD		WE		WF		WG		WH		WI		WJ		WK		WL		WM		WN		WO		WP		WQ		WR		WS		WT		WU		WV		WW		WX		WY		WZ		XA		XB		XC		XD		XE		XF		XG		XH		XI		XJ		XK		XL		XM		XN		XO		XP		XQ		XR		XS		XT		XU		XV		XW		XX		XY		XZ		YA		YB		YC		YD		YE		YF		YG		YH		YI		YJ		YK		YL		YM		YN		YO		YP		YQ		YR		YS		YT		YU		YV		YW		YX		YY		YZ		ZA		ZB		ZC		ZD		ZE		ZF		ZG		ZH		ZI		ZJ		ZK		ZL		ZM		ZN		ZO		ZP		ZQ		ZR		ZS		ZT		ZU		ZV		ZW		ZX		ZY		ZZ	
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DESCRIPTION		DEVICE	Quant. /M	Bin No.	ACCOUNT NO.	PRICE BREAKS
ACETIC ACID GLACIAL, TRANSISTAR GRADE, CODE 2500 (6X5-LB/CASE)					55600	
#1 ELECTRONIC GRADE (6X5 #2 #9507					<input type="checkbox"/> DO NOT TAX, FOR RESALE <input checked="" type="checkbox"/> ADD TAX, NOT FOR RESALE	
					<input type="checkbox"/> ORIGIN <input checked="" type="checkbox"/> DELVD <input type="checkbox"/> DESTINAT.	
					CARD ROUTING SEMCO	
SHIP TO:		SHIP VIA:		IN PLANT DESTINATION:		PLAN LEAD TIME
				REC. <input type="checkbox"/> STOCK <input type="checkbox"/> INSP. <input type="checkbox"/> DIV. <input type="checkbox"/>		
KEY	1-3-78	VENDOR NAME		ADDRESS		TERMS
1		ALLIED CHEMICAL CORP., CENTRAL ORDER SERVICE DEPT., P.O. BOX		1087R, MORRISTOWN, N.J. 07960		NET 30
2		J.T. BAKER CHEMICAL, 222 RED SCHOOL LANE, PHILLIPSBURG, N.J.		08865		1415DA
3						
4						

REQUISITION							PURCHASE					RECEIVED		
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY (unit)
10/20/78	6	20 CS	11/2/78	cyg		1	71986	11/2/78	20 CS	.9426			11/13	20 C
3/2	5	10 case	3/20/79	lmp		1	72721	3-20-79	10 CS	1.0310	2	MP	3/10/80	10 C
5/29	5	10 case	6/15/79	ly		1	73259	6-15-79	10 CS	1.0340	2	MP	6/19/80	10 C
7/17	5	10 case	7/25/79	lmp		1	73550	7-25-79	10 CS	1.0340	2	MP	8/2	10 C
8/24	5	10 case	9/7/79	ly		1	73935	9-7-79	10 CS	1.0340	2	MP	9/7	10 C

Order Point	9X-75	5	Ord. Quantity	30	Max. Stock	1 case	Monthly Average	PART NO.	5X207
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## DISBURSEMENTS &amp; RECEIPTS

DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND
6/29	40			9	9/18	17476		1	8	1/15	17713		1	7	1/2	18084		1	15
6/29	16910		1	8	9/24	17487		2	6	1/16	74541	7		7	1/8	18086		2	13
7/9	16914		1	7	9/28	17495		1	5	1/16	17797		1	6	1/10	18090		1	12
7/12	16923		1	6	10/3	17705		1	4	1/19	18003		1	5	1/14	18097		1	11
7/16	16934		1	5	10/10	17716		1	3	1/20	18014		1	4	1/15	18000		1	10
7/19	16943		1	4	10/10	74248	10		13	1/29	18018		1	3	1/12	18467		1	9
7/24	16953		1	3	10/12	17722		1	12	1/30	18023		1	2	1/22	18415		1	8
7/31	16967		2	1	10/19	17740		1	11	1/30	18025		1	1	1/24	18422		2	6
8/2	73550	10		11	10/19	17740		1	10	1/30	18025		1	0	1/24	18422		2	6
8/6	16980		1	10	10/22	17742		2	8	1/16	74546	10		10	1/5	18431		1	5
8/9	16991		1	9	10/24	17746		1	7	1/16	18035		1	9	1/6	75552	10		14
8/10	16995		1	8	10/25	17750		1	6	1/11	18048		1	8	1/7	1844		1	13
8/15	17404		1	7	10/25	17750		1	5	1/12	18052		1	7	1/11	18450		1	12
8/21	17417		1	6	10/30	17757		1	4	1/13	18055		1	6	1/13	18456		1	11
8/24	17425		1	5	10/30	17762		1	3	1/17	18061		2	4	1/19	18468		1	10
8/28	17435		2	3	1/2	17769		1	2	1/19	18064		1	3	1/21	18474		1	9
8/5	17452		1	2	1/2	17770		1	1	1/20	18065	6		9	1/24	18484		1	8
9/7	13935	10		2	1/6	74541	3		4	1/18	18067		1	8	1/7	18491		2	6
9/7	17457		2	10	1/7	17771		1	3	1/2	18076		2	6	1/20	18493		1	5
9/10	17457			1	1/11	17785		2	1	1/4	75331	10		16	4-2-20	75814	10		15

MINIMUM

01.5

MAXIMUM

VP 21873

SHORT

5X207 Acetic Acid

ORDERED

SHIPPED





DESCRIPTION		DEVICE	Quant./M	Bin No.	PART NO. 5X403	
SULFURIC ACID, INDUSTRIAL GRADE. <i>Del to Dock Not outside</i>  <i>1 carboy = 230#</i>				ACCOUNT NO. 55608		PRICE BREAKS <i>12.50 cwt = 26.88</i>
				<input type="checkbox"/> DO NOT TAX, FOR RESALE <input checked="" type="checkbox"/> ADD TAX, NOT FOR RESALE		
				<input type="checkbox"/> ORIGIN <input checked="" type="checkbox"/> DESTINAT.		
				CARD ROUTING SEMCO		
SHIP TO:		SHIP VIA:		IN PLANT DESTINATION:		PLAN LEAD TIME
				REC. INSP. <input type="checkbox"/> STOCK DIV. <input type="checkbox"/>		
KEY	2/20/80 VENDOR NAME (65690)			ADDRESS		TERMS
1	PRODUCERS CHEMICAL CO., S. RIVER ST., BATAVIA, IL 60510			CB		NET 30
2						
3						
4						

REQUISITION							PURCHASE					RECEIVED		
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY (unit)
1/8	1	3	1/18/80	Copied		1	75346	1/17/80	3 carboys 645 lb.	12.50 cwt	3	AR	1/17	3C
2/8	1	3	2/28/80	Copied		1	75652	2/28/80 Net 8-4	3 carboys 645 lbs.	12.50 cwt	3	AR	1	3
		3	3/1/80			1	75840	3-28-80 Net 8-4	3 carboys 645 lbs.	12.50 cwt	3	AR	4/1	
5-12-80	1	3	6/11/80	OK		1	76486	6-11-80	3 carboys 645 lbs.	12.50 cwt	3	AR	6/15/80	3C
7/11/80	1	3	9/5/80	OK		1	76969	9-5-80 Net 8-4	3CB (690#)	26.88	3	AR	9/8/80	3C

Order Point	Ord. Quantity	Max. Stock	Monthly Average	PART NO. 5X403
9X-75 1				

DATE	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND
7/27/77	3		3	10/17/77	3		3	7/12	13310		1	7/12	13310		1
7/27/77	10728	1	2	11/27/77	11A7		1	7/24	70891	3		7/24	70891	3	
8/17/77	10733		1	12/17/77	12010		1		Correct bal		2	8/16	13310		1
8/17/77	10767		1		Correct bal		2	7/5	13589		1	7/5	13589		1
8/17/77	10722	3	3	7/27/77	18857	3	5	7/16	13589		1	7/16	13589		1
8/17/77	10784		1	10/18	12087		4	7/20	71073	3		7/20	71073	3	
8/17/77	10799		1	1/13	Correct bal		3	7/10	13580		1	7/10	13580		1
8/17/77	Correct bal		0	11/18	12310		1		Correct bal		1	8/15	13580		1
9/17/77	18308	3	3	8/17/77	12341		1	7/14	13600		1	8/27	73810	3	
Correct bal		2	2	2/20/78	1917	3	4	7/18	71887	3		7/11	7148		3
10/17/77	11440	2	0	8/10/78	12501		1	8/11	13846		1	7/15	12709		1
10/17/77	18555	3	3	8/17/78	12502		1	8/19	13898		1	10/16	17731		1
Correct bal		2	2		Correct bal		0	8/29	20023	3		11/1	94587	2	
10/17/77	11468		1	3/27/78	14340	3	3	8/30	14636		1	7/2	17711		1
Correct bal		2	2	8/27/78	12593		1	9/12	14667		1	7/29	18026		1
10/17/77	11487		1		Correct bal		1	10/6	200		1	7/11	18047		1
10/17/77	18621	3	4	4/24/78			1	10/13	2096	3		7/14	1805		1
11/17/77	11620		1	4/27	70666	3	3	11/6	200		1	7/2	1549	3	
11/17/77	1085		1	5/18	12301		1	11/13	200		1	7/3	15079		1
11/17/77	10871		1	5/18	13309		1	11/28	15150		1	7/6	15086		1
DESCRIPTION												MINIMUM	OP	1	
												MAXIMUM			
SHORT -												VP 21803			
ARTICLE												SHIPPED			
5X-403												SULFURIC ACID, INDUSTRIAL GRADE			
												SECTION			
												A/BLE			
												LONG			
												BIN			
												wayhouse			

DATE	ORDER NO.	QUANTITY IN	QUANTITY OUT	BALANCE	DATE	ORDER NO.	QUANTITY IN	QUANTITY OUT	BALANCE	DATE	ORDER NO.	QUANTITY IN	QUANTITY OUT	BALANCE
JAN 12 '80			1	1	2740	20042								
X 9 8246		3		4										
Y 18426			3	3										
4 9481			1	2										
4 18427			1	1										
4 18428			1	2										
4 9482	3			3										
75 18428			1	2										
75 18428			1	1										
75 18428			1	2										
75 18428			1	1										
75 18428			1	2										
75 18428	3			3										
75 18428			1	2										
75 18428			1	1										
75 18428			1	2										
75 18428	3			3										
75 18428			1	2										
75 18428			1	1										
75 18428			1	2										
75 18428	3			3										
75 18428			1	2										
75 18428			1	1										
75 18428	3			4										
75 18428			1	3										
75 18428			1	2										

DESCRIPTION

MINIMUM

MAXIMUM

VP 21807

SHORT

ARTICLE

ORDERED

SHIPPED

SECTION

LONG

5X 403 Sulfuric carbonyl

wpukonid

X

DESCRIPTION		DEVICE	Quant./M	Bin No.	PART NO. <b>5X-223</b>	
<b>#3 OIL BASE VEHICLE</b> <b>#5-001-0-000-3 - IN 55-GAL</b> <b>DRUMS</b>				ACCOUNT NO. <b>55608</b>		PRICE BREAK 1-9 dr 1.74 10-19 " 1.68
				<input type="checkbox"/> DO NOT TAX, FOR RESALE <input checked="" type="checkbox"/> ADD TAX, NOT FOR RESALE		
				<input checked="" type="checkbox"/> ORIGIN <input type="checkbox"/> DESTINAT.		
		CARD ROUTING <b>SEMCO</b>				
SHIP TO:		SHIP VIA:		IN PLANT DESTINATION:		PLAN LEAD TIME
(2-25-76)				REC. INSP. <input type="checkbox"/> STOCK DIV. <input type="checkbox"/>		
KEY	VENDOR NAME <b>(03089)</b>		ADDRESS <b>967-2577</b>		TERMS	LEAD TIMES
1	CRANE PACKING CO., LAPMASTER DIV.		10400 W. HIGGINS RD.		NET 30	8-20-78
2			ROSEMONT, ILL. 60018			
3						
4						

REQUISITION								PURCHASE				RECEIVED			
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY (unit)	
1/7/75	1	2 dr	1/24/75	ap	1		12907	1/24/75	110 gal	1.74			1-17-75	2 dr	
7/20/76	2	10 dr	8/13/76	OK			66321	8-13-76	550 gal	1.50			8/1/76	10	
7/25/76		10 dr	8/8/76	OK		1	68752	8/8-5-77	550 gal	1.48			8/1/76		
3/1/78	0	4 drum	3/10/78	OK		1	70286	3/8/78	10 dr	2.00			3/7/78	4 C	
8/3	0	10 drum	8/17/78	OK		1	71469	8-29-78	10 dr	2.00			8/28/78	10 C	

Order Point <b>1 dr</b>	Ord. Quantity <b>3 dr</b>	Max. Stock <b>5 dr</b>	Monthly Average	PART NO. <b>5X-223</b>
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## DISBURSEMENTS &amp; RECEIPTS

DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND
3/2/75	INV			3															
3/23/75	5802		1	2															
3/25/75	14230		1	1															
3/27/75	221	15		11															
3/27/75	1457		1	10															
3/27/75	7		1	9															
			1	2															
	11000		1	1															
3/1/78	12534		1	0															
2/27/78	70286	4		4															
3/25/78	12837		1	3															
4/2/78	12838		1	2															
				0															
8/28/77	1469	10		10															
9/5/77	14647		1	9															
10/3/77	17430		9	0															
10/7/77	17328	4		4															
JAN 11 '80	INV			4															

Don't  
order  
unless  
call requests

DESCRIPTION

MINIMUM

O.P.

1

MAXIMUM

VP 21803

SHORT  
NUMBER

223

ARTICLE

LAPPING OIL

ORDERED

SHIPPED

SECTION

WILL

LONG

WAREHOUSE

0 RE 28

REQUISITION										PURCHASE									
REQ. DATE	STOCK BAL.	QUANT. UNIT	REQUISITION DATE	REQ. BY	AP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	AMOUNT	DATE	QUANTITY (2)	RECEIVED	DATE	QUANTITY (3)			
8/17/79		4	8/17/79	NO 1			73728	8-17-79	100			8/17/79	100		8/17/79	100			

DESCRIPTION		DEVICE	Quant./M	Bin No.	PART NO. <b>5X-187</b>	
<b>MIXED ACID ETCH 5:3:3</b> <b>CP-6 - IN 28 GAL DRUMS</b>  <b>MFG #5193</b> <b>(292# = 1 DR OF 28 GALS</b> <b>8 DR + 2436#)</b>				ACCOUNT NO. <b>55608</b>		PRICE BREAKS
				<input type="checkbox"/> DO NOT TAX, FOR RESALE <input checked="" type="checkbox"/> ADD TAX, NOT FOR RESALE		<b>7/1/77 @ 49/16</b>
				<input checked="" type="checkbox"/> ORIGIN <input type="checkbox"/> DESTINAT.		
				CARD ROUTING <b>SEMCO</b>		
SHIP TO:		SHIP VIA: <b>Obsolete</b>		IN PLANT DESTINATION:		PLAN LEAD TIME
				REC. <input type="checkbox"/> STOCK <input type="checkbox"/> INSP. <input type="checkbox"/> DIV. <input type="checkbox"/>		
KEY <b>(2-16-77)</b>	VENDOR NAME		ADDRESS			TERMS
1	<b>MALLINCKRODT CHEMICAL CO., P.O. BOX 5439, ST. LOUIS, MISSOURI</b>		<b>63160</b>			<b>NET 30</b>
2	<b>ALLIED CHEMICAL CORP., CENTRAL ORDER SERVICE DEPT.,</b>					<b>NET 30</b>
3	<b>P.O. BOX 1087R, MORRISTOWN, N.J. 07960</b>					<b>1-22-75</b> <b>4-6 weeks</b> <b>1/2 week</b>
4						

REQUISITION							PURCHASE				RECEIVED			
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (I)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY (unit)
4/2/77	5	10 dr	4/2/77	OK	OK	2	66090		10 dr	45.16				
		10 dr	5/12/77	OK	OK	2	66090	4/22/77	10 drums	45.16				
		10 dr	5/12/77	OK	OK	2	66090	5/20/77	10 drums	45.16				
		10 dr	6/3/77	OK	OK	2	66090	6/30/77	10 drums	49.16				
		10 dr	8/12/77	OK	OK	2	68624	8/12/77	10 dr	49.16				

Order Point <b>10</b>	Ord. Quantity <b>11</b>	Max. Stock	Monthly Average <b>4</b>	PART NO. <b>5X-187</b>
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ORE 40

REQUISITION							PURCHASE				RECEIVED			
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ BY	APP BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP BY	DATE	QUANTITY (units)
8/26/77	5	10 drums	10/1/77	alr	alr	2	68624	10/3/77	10 drums	.49 lb		alr	10/1/77	10 c
10/12/77	5	10 drums	10/26	alr	alr	2	68624	10/24/77	10 drums	.49 lb		alr	10/26	8 c
12/1/77	5	10 drums	12/1/77	alr	alr	2	68624	12/1/77	10 drums	.49 lb		alr	12/1/77	10 c
1/23/78	5	10 drums	2/9/78	alr	alr	2	68624	2/9/78	10 drums	.49 lb		alr	2/9/78	10 c
3/13/78	5	10 drums	3/26/78	alr	alr	2	68624	3/26/78	10 drums	.54 lb		alr	3/26/78	5 c
4/15/78	5	10 drums	4/26/78	alr	alr	2	68624	4/11/78	10 drums	.54 lb		alr	4/26/78	10 c
5/27/78	5	10 drums	6/1/78	alr	alr	2	68624	6/1/78	10 drums	.54 lb		alr	6/1/78	10 c
6/22	2	10 drums	7/12/78	alr	alr	2	68624	7/12/78	10 drums	.54 lb		alr	7/12/78	10 c
7/31	5	10 drums	8/2/78	alr	alr	2	68624	8/25/78	10 drums	.54 lb		alr	8/2/78	10 c
9/18	8	10 drums	9/28/78	alr	alr	2	71724	9/28/78	12 drums	.54 lb		alr	9/28/78	12 c
		12 drums	10/16/78	alr	alr	2	71724	10/16/78	12 drums	.54 lb		alr	10/16/78	12 c
3/30	2	5 drums	4/12/79	alr	alr	2	72922	4-12-79	5 drums	.54 lb	2	alr	4/12/79	5 c
4/23	5 drums	10	5-4/79	alr	alr	2	73024	6-1-79	5 drums	.54 lb	2	alr	5-4/79	5 c
This was complete CP-6 Stock for use - will start using 7/1/79														
7/17	10	10 drums	5-10/79	alr	alr	2	73550	11-3-79	5 drums	.54 lb	2	alr	11-3-79	5 c
11/2/79	10	8	5-11/79	alr	alr	2	74661	1-4-80	5 drums	.54 lb	2	alr	1-4-80	5 c
			5-11/79	alr	alr	2		2-4-80	5 drums	.54 lb	2	alr	2-4-80	5 c



## DISBURSEMENTS &amp; RECEIPTS

DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND		
1/3/78	11611		1	8	2/1/78	12325		1	12	3/3/78	13310		1	12	7/24	13324		1	7		
7/3	68624	2		10	Correct Count					10	Correct Inv.					2	no		6		
Correct bal				9	2/1/78	12309		1	9	5/1/78	13321		1	9	7/31	13372		1	5		
Correct bal				7	2/1/78	12344		1	8	5/1/78	13326		1	8	2 no					4	
Correct bal				6	3/4/78	12357		1	7	5/1/78	13345		1	7	8/10	13872		1	3		
12/17	12006		1	5	Inv					5	5/1/78	13355		1	6	4/11	14621	12		15	
Correct bal				4	3/15/78	12569		1	4	5/1/78	13363		1	5	8/21	14603		1	16		
12/17	12014		1	3	Correct Bal					3	5/1/78	13378		1	4	9/1	14644		1	11	
12/17	12031		1	2	3/15/78	12591		1	2	8/25	13382		1	3	9/12	14667		1	10		
12/17	68624	10		12	3/22/78	68624	5		7	Correct					2	9/18	14684		1	9	
12/17	12029		1	11	3/27/78	68624	5		12	4/5	13305		1	1	9/21	14692		1	8		
12/17	12047		1	10	3/27/78	12804		1	11	6/6	13509		1	0	9/25	14803		1	7		
12/17	12059		1	9	3/27/78	12810		1	10	6/7	68624	10		10	9/26	77225	12		19		
1/1/78	12079		1	8						6	6/8	13517		1	9	9/28	14817		1	18	
1/1/78	12094		1	7	4/9/78	13567		1	5	6/15	13525		1	8	10/4	14831		1	17		
1/17/78	12310		1	6	4/24/78	13584		1	4	6/20	13548		1	7	10/6	14834		1	16		
1/27/78	12325		1	5	4/24/78	12891		1	3	8/28	13572		5	2	Inv					15	
Correct bal				4	5/1/78	13304		1	2	7/12	68624	10		12	10/10	14898		1	14		
1/30/78	68624	10		3	Correct Inv.					3						11	10/11	14851		1	13
2/6/78	68624	10		13	5/1/78	68624	10		13	Inv.					8	1/12	77225	12		22	

MINIMUM	OP	2
MAXIMUM		

187

C P- 6 Acid



To Del Kark  
" Bud Loebl.  
" Bob Conyer

Subject:

Mixed Acid

I need to know by 9/27/78 if we  
are going to buy 3:1:1 acid and mix phosphoric  
here or buy 3:1:1 acid or CPX acid.

Production would prefer purchased mixed acid.  
Larry Higgins feels that he can get the  
Chicago Warehouse to maintain parts of the  
1000 gal min. buy of 3:1:1:1

Ular 9/22/78

RE 11



# PURCHASE ORDER FOLLOW UP

P.O. No.

73550

PART # <b>5X187</b>	DESCRIPTION <b>@P-6 acid</b>
------------------------	-------------------------------------

VENDOR  
**allied Chem**

DELIVERY:

1<sup>ST</sup> SHIPMENT

SCHEDULE

FOLLOW-UP

DATE	FOLLOW UP INFORMATION	
		1
		2
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		JAN
		FEB
		MAR
		APR
		MAY
		JUN
		JUL
		AUG
		SEP
		OCT
		NOV
		DEC
		DATE COMPLETED

DATE

FOLLOW UP INFORMATION

11/2/79 5 drum CP-6 Due 1/5/80

Bring ~~in~~ in to 11/29/79

I am giving you New order for

10 drum 5-1/5 5-2/4

Utr 1/2

OK  
m  
11-2-79

DATE  
RECEIVED

ACKNOWLEDGED  
SHIPPING DATE

ACKNOWLEDGEMENT INFORMATION

RE 15

DESCRIPTION <u>240s 5 drum every 4 wks</u>		DEVICE	Quant./M	Bin No.	PART NO. <u>5X-437</u>
MIXED ACID ETCHANT 3:1:1:1 3 PARTS NITRIC ACID 1 PART HF ACID 1 PART ACETIC ACID 1 PART PHOSPHORIC ACID <u>525EA</u>		<u>RTV. Parts clean</u>		ACCOUNT NO. <b>55608</b>	PRICE BREAKS
				<input type="checkbox"/> DO NOT TAX, FOR RESALE <input checked="" type="checkbox"/> ADD TAX, NOT FOR RESALE	
				<input checked="" type="checkbox"/> ORIGIN <input type="checkbox"/> DESTINAT.	
				CARD ROUTING <b>SEMCO</b>	
SHIP TO:	SHIP VIA:		IN PLANT DESTINATION:		PLAN LEAD TIME
KEY <u>(10-3-78)</u>	VENDOR NAME		ADDRESS		
1	ALLIED CHEMICAL CORP., CENTRAL ORDER SERVICE DEPT.		P.O. BOX 1087R, MORRISTOWN, N. J. 07960		TERMS <b>NET 30</b>
2					LEAD TIMES <u>4 wks minimum order</u>
3					<u>1 Extra WK 9/11</u>
4					

REQUISITION							PURCHASE				RECEIVED			
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY (unit)
9/28/78		20 du	5-11/78 5-12/78 5-12/78	5-12/78	5-12/78	1	71794	5-26/78 12/11/78, 1/2/79, 2/2/79	11/10/78	.5824			5-1/79	5-1/79
3/6	5	20 drum	5-5/79 5-6/79 5-7/79 5-8/79	5-7/79	5-7/79	1	72724	5-20 6-10 7-90 8-10	5 DR " " " " " "	525EA 158.40 158.40	2	5-7 MP	5-7-5 3/29-5	
8/2	5	20 drum	5-9/21 5-10/26	5-10/26	5-10/26	1	73693	9-21 10-26	5 DR " "	594B	3	5-6 MP	9/25/8 5-1/80	

Order Point 10 Max. Stock 11-21 Monthly Average 1-7-80 PART NO. 5X-437

ORE 36

REQUISITION							PURCHASE				RECEIVED			
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY (unit)
11/12	20 lbs	21	21	by	DR	1	74784	2-1-80	5	34.15	2	11/13	44	5 e
		3 3/3				1	"	3-3-80	5	65.15	1		3/4	5 e
		5 4/1				1	"	4-1-80	5	65.15	1		4/1	5 e
		5 5/1				1	"	5-1-80	5	65.15	1		5-2-80	5 e

ORE 37

## DISBURSEMENTS

DATE	ORDER NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND
1/3/77	15514	5		5	4/11	15512		1	3	8/20	1743		1	7	1/30	1803		1	2
1/3/77	15510		1	4	4/19	15519		1	2	8/24	1745		1	6	1/4	1805		1	1
1/9	15527		1	3	4/24	15562		1	1	6/5	17452		1	5	1/11	1808		1	2
1/20	15535		1	2	5/1	15979		1	4	4/14	17470		1	4	1/9	1809	7		7
1/27	15521		1	1	5/7	17027	5		5	9/20	17481		1	3	1/9	1809		1	6
2/3	15590		1	0	5/7	15950		1	4	9/22	17485		1	2	JAN 12 '80				6
3/9	17184	5		5	5/5	16508		1	3	9/25	173693	5		7	1/9	1846		1	5
2/9	16808		1	4	5/24	16533		1	2	10/8	17209		2	5	1/2	18415		1	4
2/13	16217		1	3	5/29	17027	5		7	11/2	17216		1	4	1/30	18432		1	2
2/23	16240		1	2	6/8	16568		1	6	10/5	1729		1	3	2/4	18439	5		8
3/2	17194	5		7	6/13	16579		1	5	11/17	1723		1	2	1/6	18446		1	7
3/10	16253		1	6	6/19	16593		1	4	11/23	17242		1	1	1/21	18471		1	6
3/5	16260		1	5	7/24	16910		1	3	11/26	17263		1	0	3/4	18484	5	5	11
3/15	16283		1	4	7/9	17027	5		8	11/1	17269	6		5	1/10	18484		1	10
3/16	16286		1	3	7/16	16934		1	7	11/1	17264		1	4	1/10	18484	5		15
3/19	17265	5		8	7/27	16557		1	6	11/7	17265		1	3	4-12-80	1848		1	14
3/22	16300		1	7	8/2	16973		1	5	11/8	17282		1	2	5-2-80	18485	5		19
3/28	15910		1	6	8/9	16991		1	4	11/10	17276		1	1	5-5-80	18488		1	18
3/30	15915		1	5	8/10	17027	5		9	11/20	18007		1	0	5-28-80	19025		1	17
4/5	15931		1	4	8/15	17064		1	8	11/21	17368	3		3	1/30	20034		1	16

DESCRIPTION

3 PARTS NITRIC ACID

1 PART HF ACID

1 PART ACETIC ACID

1 PART PHOSPHORIC ACID

MINIMUM

MAXIMUM

10 drum OP

SHORT

ORDERED

5X-437 MIXED ACID ETCHANT 3:1:1:1

SECTION

ABLE

LONG

4/1/80





DESCRIPTION				DEVICE		Quant. / M		Bin No.		PART NO. <span style="float: right;">5X456</span>	
"HAN" ETCH 3:2:1, PER DWG. 3 PARTS BY VOLUME NITRIC ACID 2 PARTS BY VOLUME ACETIC ACID 1 PART BY VOLUME HYDROFLUORIC ACID ACID CONCENTRATIONS: (ELECTRONIC GRADE) NITRIC 70%, ACETIC 99.7%, HYDROFLUORIC 49%				ACCOUNT NO. 55608		<input type="checkbox"/> DO NOT TAX, FOR RESALE <input checked="" type="checkbox"/> ADD TAX, NOT FOR RESALE <input checked="" type="checkbox"/> ORIGIN <input type="checkbox"/> DESTINAT.		PRICE BREAKS			
SHIP TO:				SHIP VIA:				IN PLANT DESTINATION:		PLAN LEAD TIME	
								REC. <input type="checkbox"/> INSP. <input type="checkbox"/> STOCK <input type="checkbox"/> DIV. <input type="checkbox"/>			
KEY		01/24/80		VENDOR NAME		ADDRESS		TERMS		LEAD TIMES	
1				ALLIED CHEMICAL CORP., CENTRAL ORDER SERVICE DEPT., P.O. BOX 1087R,		MORRISTOWN, NJ 07960		NET 30			
2											
3											
4											

REQUISITION						PURCHASE						RECEIVED		
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY (unit)
11/15/79		20DM	Copied from Req.			1	74847	2/4/80	4DM	409.50	2	MP	2/7/80	10
							"	3/4/80	4DM	"	2	MP	4/4/80	2100 C
6/9/80		4DM	7/7/80	OK DM		1	74847	2-2-80	4DM	409.50	2	MP	7/14/80	4 C

Order Point	Ord. Quantity	Max. Stock	Monthly Average	PART NO. <span style="float: right;">5X456</span>
9X-75				

DATE	ORDER OR REC. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REC. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REC. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REC. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	
3/21	7884	10		10																
3/23	18424		1	9																
3/4	78847	4	4	13																
3/9	18716		1	12																
4-23-80	18970		1	11																
5/1/80	19010		1	10																
5/4/80	78807	2		12																
7/1/80	19047		1	11																
7/10/80	78827	4		15																
7/11/80	19080		1	14																
8/1/80	20023		1	13																
9/17/80	20054		1	12																
12/1/80	20001		1	11																
															W. R. Howe					
DESCRIPTION															MINIMUM					
															MAXIMUM					
SHORT NUMBER		ARTICLE		ORDERED		SHIPPED						SECTION		APPL		L. 0110		DN		
5X456		"HAN" ETCH 3:2:1																		

DESCRIPTION <b>5R-188 CP-10 MIXED ETCHANT IN 30-GAL DRUMS 290 LBS. EA</b>		DEVICE <b>BUMP ETCH</b>	Quant./M	Bin No.	PART NO. <b>5X-188</b>				
10 LBS = 1 GAL		ACCOUNT NO. <b>55608</b>		PRICE BREAKS <i>11/27 24/1</i>					
							<input type="checkbox"/> DO NOT TAX, FOR RESALE <input checked="" type="checkbox"/> ADD TAX, NOT FOR RESALE		
							<input checked="" type="checkbox"/> ORIGIN <input type="checkbox"/> DESTINAT.		
SHIP TO:		SHIP VIA: <b>Obsolete</b>		CARD ROUTING <b>SEMCO</b>					
		IN PLANT DESTINATION: REC. INSP. <input type="checkbox"/> STOCK DIV. <input type="checkbox"/>				PLAN LEAD TIME			
KEY	VENDOR NAME		ADDRESS		TERMS	LEAD TIMES			
1	<b>ALLIED CHEMICAL</b>				<b>NET 30</b>	<i>11-21-74</i>			
2	<b>MALLINCKRODT CHEMICAL CO., P.O. BOX 5439, ST. LOUIS, MISSOURI</b>				<b>NET 30</b>	<i>1/22/75</i>			
3									
4									

REQUISITION						PURCHASE						RECEIVED		
REQN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY (unit)
<i>9/21/76</i>	<i>0</i>	<i>2 drums</i>	<i>10/15/76</i>	<i>CLC</i>	<i>CLC</i>	<i>1</i>	<i>66090</i>	<i>10/15/76</i>	<i>20 drums</i>	<i>.4116</i>			<i>10/21</i>	<i>17 C</i>
	<i>7</i>	<i>2 drums</i>	<i>11/14/77</i>	<i>OK</i>	<i>OK</i>	<i>1</i>	<i>66090</i>	<i>11/14/77</i>	<i>20 drums</i>	<i>.4516</i>			<i>12/1</i>	
<i>5/21/77</i>	<i>8</i>	<i>2 drums</i>	<i>6/3/77</i>	<i>WJ</i>	<i>WJ</i>	<i>1</i>	<i>66090</i>	<i>6/3/77</i>	<i>20 drums</i>	<i>.4516</i>			<i>5/10</i>	
	<i>6</i>	<i>2 drums</i>	<i>3-7</i>	<i>WJ</i>	<i>WJ</i>	<i>1</i>	<i>68624</i>	<i>11/3/77</i>	<i>20 drums</i>	<i>.4516</i>			<i>10/14</i>	<i>10</i>
<i>3/29/78</i>	<i>5</i>	<i>10 drums</i>	<i>5/30</i>	<i>WJ</i>	<i>WJ</i>	<i>1</i>	<i>68624</i>	<i>5/30/78</i>	<i>5</i>	<i>.5416</i>			<i>5/30</i>	<i>5</i>

Order Point <i>4</i>	Ord. Quantity <i>20</i>	Max. Stock	Monthly Average <i>6 drums</i>	PART NO. <b>5X-188</b>
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REQUISITION							PURCHASE				RECEIVED			
REQN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY
8/17	8	10	9/15/78	hup		1	68624	9/15/78	10 drums	.54/lb.			9/12	100
11/13	8	5	1/10/79	hup		1	72172	1/10/79	5 drums	.54/lb.			1/8	50
2/13	8	5	3/1/79	hup		1	72653	3-9-79	5 " (400)	.54/lb.	2		3/7	50

Urbach

CP-10

88!

5X-

7820

1/10/19

✓	7	1	08. 11 NVP
✓	2	1	18 NCT 546
	8	1	20 NCT 546
	6	1	11 NCT 546
	10	1	10 NCT 546
	11	1	10 NCT 546
	12	1	10 NCT 546
	13	5	27 72 NCT 546

DISBURSEMENTS &amp; RECEIPTS

DATE	ORDER REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER REQ. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND
1/1/54	Balance		0	0	1/2/54	6053		1	9	4/3/54	7851		1	8	4/10/54	7851		1	8
1/1/54	INV		0	0	1/17/54	625		1	8	4/17/54	7851		1	8	4/24/54	7851		1	8
2/1/54	63513	20		20	1/20/54	670		1	7	7/8/54	7851		1	8	4/24/54	7851		1	8
5/24/54	2814		2	18	1/27/54	662		1	6	7/10/54	7851		1	8	4/24/54	7851		1	8
6/3/54	2530		1	17	2/10/54	63677	10		16	7/22/54	7851		1	17	4/24/54	7851		1	8
6/6/54	2544		1	16	2/11/54	6738		1	15	7/24/54	7851		1	16	4/24/54	7851		1	8
6/10/54	2453		1	15	3/3/54	63677	10		25	7/26/54	7851		2	14	4/24/54	7851		1	8
6/16/54	2571		1	14	3/16/54	8783		12	13	8/7/54	7851		1	13	4/24/54	7851		1	8
6/18/54	2575		1	13	3/17/54	8786		1	12	8/15/54	7851		1	12	4/24/54	7851		1	8
6/18/54	INV		1	12	3/18/54	8789		1	11	8/21/54	7851		1	11	4/24/54	7851		1	8
6/23/54	2587		1	11	3/24/54	8806		1	10	8/27/54	7851		1	10	4/24/54	7851		1	8
7/1/54	4928		2	9	3/25/54	8808		1	9	9/3/54	7851		1	9	4/24/54	7851		1	8
7/14/54	4931		1	8	3/26/54	8814		1	8	9/8/54	7851		1	8	4/24/54	7851		1	8
9/10/54	Correct Bal		5	3	3/27/54	8820		1	7	Correct bal	0				4/24/54	7851		1	8
OCT 10/54	5824		1	4	4/16/54	8846		1	6	10/12/54	7851	17		17	4/24/54	7851		1	8
OCT 28/54	5857		1	3	4/10/54	2209		1	5	10/16/54	7851		1	16	4/24/54	7851		1	8
NOV 8/54	63677	10		13	4/12/54	7213		1	4	10/17/54	7851	10		26	4/24/54	7851		1	8
11-4/54	5882		1	12	4/23/54	677	20		24	11/2/54	7851		1	25	4/24/54	7851		1	8
11-8/54	6011		1	11	5/24/54	6927		1	23	11/14/54	7851		1	24	4/24/54	7851		1	8
11-8/54	6023		1	10	6/1/54	694		1	22	11/18/54	7851		1	23	Correct bal				14

DESCRIPTION										MINIMUM		0. A		28 DE					
										MAXIMUM									
SHORT NUMBER										LONG									
188										CP-10									
ORDERED										SHIPPED									
SECTION										WAREHOUSE									

# DISBURSEMENTS & RECEIPTS

DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REG. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND
3/5	9852		1	13	8/27	1087		1	15	1/16	12054		1	18	6/16	13543		1	10
4/4	9875		1	12	8/27	1087		1	15	1/16	12071		1	17		Inv.			9
4/6	9889		1	11					16	1/16	12301		1	16		Inv.			8
			1	10					13	1/23	1235		1	15	8/7	3542		1	7
4/9	Correct bal		9					1	12	2/17	12351		1	14		Inv.			6
8/20			1	8				1	11		Inv.			13	8/22	1406		1	5
			1	7	9/30	11407		1	10	2/6/70	1359		1	12	2/6	14650		1	4
5/5	10230		1	6				1	9	2/17/70	12376		1	11	9/12	15637	10		14
8/4	Correct bal		5		10/27	11402		1	8	2/17/70	12514		1	10		Inv.			13
			5					1	7		Inv.			9	9/18	14684		1	12
			3	23	1/31	165		1	6	1/18/70	12528		1	8	9/25	14903		1	11
1/2	1574		1	22	1/3	18624	10		15	2/17/70	12547		1	7	10/30	Inv.			10
			1	21	1/3/77	11620		1	15	3/14/77	12561		1	6	1/16	Inv.		1	9
1/5	10643		1	20	1/8/77	15624	10		25	3/17/77	12586		1	5	1/11/73	1563		1	8
	Correct bal		18					1	24	4/27/78	12846		1	4	3/1	Inv.		1	7
1/1	10623		1	17	1/5/78	1561		1	23	1/18/78	12864	5		9	1/4	15515		1	6
			1	16				1	22		Correct Inv.			8	1/8	12172	5		11
7/26/77	Correct bal		19		1/29/77	11691		1	21	5/24	13378		1	7	1/23	15500		1	10
7/26/77	Inv.		18		1/29/77	12039		1	20	5/30	13807	5		15	1/31	15580		1	9
8/1	1573		1	17	Correct bal			19			Correct bal			11	2/13	16217		1	8

DESCRIPTION															MINIMUM	575			
															MAXIMUM				
															VP 21803				
SHORT					ORDERED					SHIPPED					LONG				
188					ARTICLE CP-10										SECTION 41115				

4

DISBURSEMENTS & RECEIPTS 5x183

DATE	ORDER OR REC. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REC. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REC. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND	DATE	ORDER OR REC. NO.	QUANTITY IN	QUANTITY OUT	BALANCE ON HAND
4/11	15941		1	3	4/11	74307	3		3	9/17/80	7030		3	4					
4/23	15959		1	2	4/17	1723		1	2	9/20/80	20210		1	3					
5/3	15984		1	1	4/25	1722		1	1	11/19/81	20253		1	2					
5/11	7329	3		4	4/30	1722		1	0	1/15	20283		2	0					
5/15	16509		1	3	4/6	1445	3		3	11/30	52032		1	1					
5/29	16529		1	2	1/11	17795		1	2										
6/3	16540		1	1	1/16	7418	3		5	7/24/81	25713		1	0					
6/24	16540		1	0	1/29	18		1	4	8/15/81	13680		1	1					
7/11	721	3		3	2/1	8007		1	3	9/9	ADT Re		1	0					
7/18	16551		1	2	1/1	1		1	2	9/10/81	52365		1	1					
7/31	16568		1	1	7/9	7552	3		5	11/6/81	27476		1	0					
8/24	7202	3		3	7/9	18		1	4	9/10/81	57521		1	1					
8/23	17423		1	2	JAN	1288	INU		4	11/11/81	60574		1	2					
8/5	17423		1	1	7/21	11812		1	3	7/12/81	28925		2	0					
8/15	17423		1	0	7/31	18432		1	2										
8/24	17423		1	0	7/9	1		1	1	10/14/81	60582		1	1					
9/18	7422	3		3	7/8	7551	3		4										
9/20	17482		1	2	7/15	18451		1	3	11/12/81	30078		1	0					
10/2	17702		1	1	4/10	19037		1	2										
10/11	17718		1	0	8/2/80	20023		1	1	10/12/81	60561		1	1					

SEG (GRN) Dig. 150  
OP 1  
REVIEW GT "0"

5x183 Chem Cl<sub>2</sub>CF<sub>2</sub>

Outside



DESCRIPTION		DEVICE	Quant. /M	Bin No.	PART NO. 5X183	
BLACO-TRON TF (55 GAL DRUM = 690 LBS)				ACCOUNT NO. 636003 55608		PRICE BREAKS
				<input type="checkbox"/> DO NOT TAX, FOR RESALE <input checked="" type="checkbox"/> ADD TAX, NOT FOR RESALE		
				<input type="checkbox"/> ORIGIN <input checked="" type="checkbox"/> DESTINAT.		
				CARD ROUTING SEMCO		
SHIP TO:		SHIP VIA:		IN PLANT DESTINATION:		PLAN LEAD TIME
KEY (2-27-78)		VENDOR NAME		ADDRESS		TERMS
1		BARON BLAKESLEE, INC.		2001 N. JANICE AVE., MELROSE PARK, IL 60160		NET 30
2		DETREX CHEMICAL INDUSTRIES, GOLD SHIELD SOLVENTS DIVISION,		2537 LEMOYNE, MELROSE PARK, IL 60160		
3						
4						

REQUISITION								PURCHASE				RECEIVED			
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P.O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY (unit)	
4-0-78	1	3 dr.	4-0-78	1		1			(20700)				2/24	3 C	
2/20/78	1	3 dr.	3/7/78	1		1	70299	3-9-78	(20700) 3 dr.	.655			3/16	3 C	
3/3-78	1		3/3/78	1		1	70518	4-8-78	(20700) 3 dr.	.655					
4/28	1	3 dr.	5/8/78	1		1	70722	5/11/78	(20700) 3 dr.	.655					
1/4/80	1	5 dr.	5/3/78	1		1	70921	6/1/78	5 dr.	.7216					

Order Point 9X-75 **O**

Ord. Quantity

Max. Stock

Monthly Average

PART NO. 5X183

RE 17

REQUISITION							PURCHASE							RECEIVED	
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY	UNIT
7/1/78	1	5 drums	7/27/78	by	by	1	71237	7/27/78	5 drums	.72 lb			7/27/78	50	lb
8/22	1	5 drums	9/5/78	by	by	1	71565	9/5/78	5 drums	.72 lb			9/5/78	50	lb
11/16	1	5 drums	11/15/78	by	by	1	71809	11/15/78	5 drums	.72 lb			11/15/78	50	lb
1/19/79	1	5 drums	2/1/79	by	by	1	72467	2-9-79	5 drums	.72 lb			2/1/79	50	lb
3/14	2	3 drums	3/25/79	by	by	1	72790	3-28-79	2070 LBS 3 DRUMS	.72 LB	2	by	3/28/79	30	lb
5/4	1	3 drums	5/11/79	by	by	1	73139	5-11-79	2070 LBS 3 DRUMS	.765 LB	2	by	5/11/79	30	lb
6/13/79	1	3 drums	7/13/79	by	by	1	73381	7-13-79	2070 LBS 3 DRUMS	.765 LB	2	by	7/13/79	30	lb
8/1	1	3 drums	8/29/79	by	by	1	73683	8-29-79	2070 LBS 3 DRUMS	.765 LB	2	by	8/29/79	30	lb
9/10	1	3 drums	9/21/79	by	by	1	74072	9-21-79	2070 LBS 3 DRUMS	.765 LB	2	by	9/21/79	30	lb
10/3	1	3 drums	10/2/79	by	by	1	74347	10-12-79	2070 LBS 3	.765 LB	2	by	10/2/79	30	lb
10/18	2	3 drums	11/9/79	by	by	1	74458	11-9-79	3 DM	527.85	2	by	11/9/79	30	lb
11/11	2	3 drums	11/26/79	by	by	1	74785	11-26-79	3 DM	527.85	2	by	11/26/79	30	lb
12/20	2	3 drums	1/18/80	by	by	1	75242	1-18-80	3 DM	527.85	2	by	1/18/80	30	lb
1/30	2	3 drums	2/15/80	by	by	1	75509	2-15-80	3 DM	555.45	2	by	2/15/80	30	lb
8/2/80	1	3 drums	9/19/80	by	by	1	77030	9-19-80	3 DM	555.45	2	by	9/19/80	30	lb
11/30/81	0	1 drum	12/2/81	by	by	1	82176	12-2-81	1 DM	710.70	2	by	12/2/81		lb
6-2-82	0	1 drum	7/8/82	by	by	1	83002	7-8-82	1 DM	710.70	2	by	7/8/82		lb
6-8-83	0	1 drum	6-7-83	by	by	1	7756	6-10-83	1 DM	745.20	2	by	6-10-83		lb

DESCRIPTION		DEVICE	Quant./M	Bin No.	PART NO. 5X183	
BLACO-TRON TF (55 GAL DRUM = 690 LBS.				ACCOUNT NO. 01-99-088-5162		PRICE BREAKS
				<input type="checkbox"/> DO NOT TAX, FOR RESALE <input type="checkbox"/> ADD TAX, NOT FOR RESALE		
				<input type="checkbox"/> ORIGIN <input type="checkbox"/> DESTINAT.		
				CARD ROUTING SEMCO		
SHIP TO:		SHIP VIA:		IN PLANT DESTINATION:		PLAN LEAD TIME
				REC. <input type="checkbox"/> STOCK <input type="checkbox"/> INSP. <input type="checkbox"/> DIV. <input type="checkbox"/>		
KEY	VENDOR NAME 450-3561			ADDRESS		TERMS
1	BARON BLAKESLEE, INC. 2001 N. JANICE AVE. MELROSE PARK, IL			60160		
2	DETREX CHEMICAL INDUSTRIES, GOLD SHIELD SOLVENTS					
3	DIV., 2537 LEMOYNE, MELROSE PARK, IL 60160					
4						
REQUISITION PURCHASE RECEIVED						
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ. BY	APP. BY	KEY
						P. O. NO.
						DUE DATE
						QUANTITY (1)
						UNIT PRICE
						BUYER
						APP. BY
						DATE
						QUANTITY (unit)
9/13/85		1	ASAP			15198
						5-3-85
						1 DRUM
						1.14/#
						JE
						9/15/85
						1 dr e
						15505
						9-3-85
						1 DRUM
						1.14/#
						JE
						9/15/85
						1 dr e
						16722
						9-17-85
						1 DRUM
						1.14/#
						JE
						9/15/85
						1 dr e
						18844
						4-28-86
						1 DRUM
						1.14/#
						JE
						4/29/86
						1 dr e
Order Point		Ord. Quantity		Max. Stock		Monthly Average
9X-75 0						PART NO. 5X183

REQUISITION							PURCHASE				RECEIVED			
REQTN. DATE	STOCK BAL.	QUANT. UNIT	REQUIRED DATE	REQ BY	APP. BY	KEY	P. O. NO.	DUE DATE	QUANTITY (1)	UNIT PRICE	BUYER	APP. BY	DATE	QUANTITY (unit)
5/29/86	26													
8/12/86		1 DR	8/19	PC		1	19732	8-19-86	690# (55 GAL DRUM)	1.14/#	8/12/86		8/14/86	1 C
11/24/86		1 DR	12/15	PC		1	20932	12-15-86	1090#	1.14/#	11-25-86		12/14/86	1 DR C
											</			

Agreement of Purchase and Sale

This Agreement, dated April 11, 1981, is by and between Varian Associates, Inc., a Delaware corporation, having a principal office at 611 Hansen Way, Palo Alto, California ("Seller") and Richardson Electronics, Ltd., an Illinois corporation, having a principal office at 3030 North River Road, Franklin Park, Illinois, ("Buyer"). It evidences the sale to Buyer by Seller, and the purchase and assumption by Buyer from Seller, of the assets, business, liabilities and goodwill of Seller's National Electronics Division, currently located at Sellers premises on Keslinger Road, LaFox, Illinois, Geneva post office (excepting specifically Seller's silicon controlled rectifier ("SCR") business the products of which are identified in Exhibit 1-A attached hereto) related to the manufacture and sale of the ignitrons, rectifiers, thyratrons and read-out tubes as described in the catalogs attached hereto as Exhibits 1-B, 1-C, 1-D and 1-E (collectively referred to hereinafter as the NED Business).

For and in consideration of the mutual covenants and conditions and other valuable consideration set forth herein, the parties hereto represent, warrant, sell, purchase, assume, and agree as follows:

1. Sale of Assets

A. Seller hereby sells, conveys, assigns, transfers and delivers to Buyer, and Buyer hereby purchases, accepts and

RE 77

assumes from Seller all of Seller's right, title and interest in and to the NED Business (specifically excluding Seller's SCR business) which includes the following assets and properties relating to and utilized in Seller's NED Business, all of which are hereinafter collectively referred to as the Assets:

(1) All inventories owned by Seller on the Closing Date including but not limited to finished goods, parts, supplies, materials, and work-in-process inventories listed on Exhibit 2 attached hereto which is stated as of February 27, 1981 adjusted as of the Closing Date as provided for in Article 3C hereof, (the "Inventories").

(2) All Machinery and Equipment owned by Seller on the Closing Date and located at the NED Business premises and also that which is owned and used by Seller solely in the NED Business at other locations, including but not limited to machinery, equipment and fixtures listed on Exhibit 3 attached hereto which is stated as of February 27, 1981 (the "Machinery and Equipment").

(3) All Trade Accounts Receivable as listed on Exhibit 4 attached hereto which is stated as of February 27, 1981 adjusted as of the Closing Date as provided for in Article 3C hereof.

(4) a) All of the gaseous tube know-how, in the form in which it exists currently at the NED Business premises on the Closing Date, employed by Seller in its NED Business research, development, fabrication and manufacture of ignitron, rectifier, thyatron, and read-out tubes, subject however, to the specific

RE 78

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exclusion of any such unpatented and patented proprietary know-how owned by Seller which Seller also employs in its other businesses;

b) Seller's rights in the patents listed in Exhibit 5 attached hereto.

c) Seller's rights in the trademark listed in Exhibit 6, attached hereto.

(5) Real property as described in Exhibit 7 attached hereto (the "Property").

(6) The list of current customers of the NED Business as indicated on Exhibit 8, and other good will in the NED Business, and books and records of the NED Business.

B. With respect to unpatented proprietary know-how owned by Seller which Seller employs in its NED Business and which Seller also employs in its other businesses, Seller hereby covenants and agrees not to sue Buyer for any use which Buyer may make of such know-how in the research, development, fabrication and manufacturing of ignitron, rectifier, thyatron and read-out tubes. With respect to patented proprietary know-how which Seller owns and which Seller heretofore has used in the fabrication and manufacture of ignitron, rectifier, thyatron, and read-out tubes in the NED Business Seller hereby covenants and agrees not to sue Buyer for the use of said patented proprietary know-how in the fabrication and manufacture of ignitron, rectifier, thyatron and read-out tubes.

RE 79

2. Assumption of Certain Liabilities

A. Seller hereby assigns and delegates to Buyer, and Buyer hereby accepts and assumes, all of Seller's right, title, and interest in, and all of the obligations and liabilities relating to the NED Business under the following:

(1) All open contracts, customer orders, leases, quotations and proposals entered into in connection with or for the sale of NED Business products. A list of said items existing as of February 27, 1981 which were in excess of \$5,000 is set forth on Exhibit 9. Said list shall be updated as of the Closing date.

(2) All open purchase orders, contracts, and all other obligations with vendors and suppliers entered into in connection with or for the purchase of goods for use in the NED Business. A list of said items in excess of \$5,000 together with a complete list of all personal property leases existing as of February 27, 1981 are listed on Exhibit 10. This list will be updated as of the Closing Date.

(3) All accounts payable, payroll taxes, employee benefits and entitlements therein (including without limitation vacation and sick pay) and other accrued liabilities existing as of February 27, 1981 as and in the amount listed on Exhibit 11. Such Exhibit will be adjusted as of the Closing Date as provided in Article 3C. It is agreed that the amount of such sick pay entitlements assumed hereunder will not be detailed on such Exhibit 11.



(4) All state and local real property taxes, as listed on Exhibit 12 accrued as of February 27, 1981 which will be updated as of the Closing Date as provided in Article 3C and all such taxes and assessments which become due and payable subsequent to the Closing Date.

(5) All sales and use taxes arising out of the transfer of the Assets as herein provided. Buyer agrees to provide Seller with a valid and current Illinois Resale Certificate for the Inventories for which Buyer claims a tax exemption. Buyer further agrees to pay such taxes promptly when due following the determination of valuation as provided in Article 3C hereof.

(6) All customer warranty obligations and claims under the Seller's standard written warranties applicable to all products of the NED Business shipped by Seller prior to the Closing Date. In the event that Buyer's cost of performing warranty service hereunder with respect to products of the NED Business shipped by Seller prior to the Closing Date exceeds \$25,000 within a product line for any failure resulting from a common cause within a product line, Seller will pay any direct labor, fringe and material costs (exclusive of overhead and profit) incurred by Buyer in excess of said \$25,000 to perform such warranty service for said failure within a product line due to said common cause in accordance with Seller's standard written warranty applicable to such products of the NED Business at the date of sale by Seller provided that:

- (i) Seller is advised by written notice by Buyer each time that Buyer's costs in performing warranty service hereunder has exceeded an aggregate of \$5,000 for warranty claims arising from each common cause within a product line. Upon receipt of such notice Seller shall have the right to inspect such claims, the products affected and the warranty service being performed, and Buyer agrees to cooperate with Seller in the event that Seller attempts to remedy the cause of the failure, and
- (ii) Seller's obligation to make the payments provided for in this Article 2A(6) shall terminate with respect to any claims notice of which has not been given to Seller by Buyer within the longest period provided in Seller's standard written warranty applicable to the specific tube type as to which the claim is made.

B. As of the Closing Date, Buyer agrees to perform and pay when due, all the debts, liabilities, obligations and contracts specifically assumed pursuant to Article 2A above, and to indemnify Seller and hold Seller wholly free and harmless with respect to all costs, expenses, liabilities and claims of whatsoever nature with respect to all such assumptions.

C. Buyer shall not be liable or responsible for any other claim, liability or obligation relating to the NED Business prior

CRE 82

to the Closing Date except as otherwise set forth specifically in this Agreement. Without limiting the generality of the foregoing, Buyer shall not be liable for or in respect of:

(1) Product liability claims with respect to products of the NED Business sold by Seller prior to the Closing Date;

(2) Claims for infringement of patent or other proprietary rights arising out of or with respect to products of the NED Business sold prior to the Closing Date.

3. Purchase Price and Payment

The Purchase Price to be paid for the Assets shall be Seven Million Dollars (\$7,000,000) (hereinafter called the "Purchase Price").

A. The Purchase Price less any credits or adjustments provided for herein or in the Option Agreement shall be paid to Seller at the Closing by wire transfer by Buyer to the account of:

Varian Associates, Inc.



B. The Purchase Price is to be allocated as set forth in Exhibit 13 attached hereto.

C. The amounts shown on the exhibits referenced in Article 1A above for Trade Accounts Receivable and Inventory, and for Liabilities set forth in Article 2A(3) and 2A(4) are stated

as of February 27, 1981. These items will be restated by Seller as of the Closing Date to accurately reflect their then existing value with a final determination by the parties within 45 days from the Closing Date. In all instances receivables, inventories and liabilities attributable to Seller's silicon controlled rectifier (SCR) business will be excluded in the final determination from both the February 27, 1981 and the Closing Date accounting data.

In the event that the net aggregate of these three items (i.e., Trade Accounts Receivable and Inventory less Liabilities) upon such final determination exceeds the aggregate total of such items based on the February 27, 1981 figures, the Purchase Price will be increased by the amount by which the aggregate total of such three items as of the Closing Date exceeds the amount of the aggregate total of such three items based on the February 27, 1981 figures plus \$35,000. In the event the net aggregate total of these three items upon such final determination is less than the total aggregate of such three items based on the February 27, 1981 figures, the Purchase Price will be reduced by the amount by which the aggregate total of such three items as of the Closing Date is less than the amount of the aggregate total of such three items based on the February 27, 1981 figures minus \$35,000. Any such adjustment in Purchase Price will be allocated by mutual agreement of the parties.

In the event that Seller and Buyer are unable to agree with respect to the final determination of any of the said three

items, they will within a five (5) day period following the end of the aforementioned forty-five day period submit for final determination the specific issues on which they are unable to agree and which do not exceed \$25,000 to an arbitrator acceptable to each party hereto selected from the panel of arbitrators of commercial disputes maintained by the Chicago Office of the American Arbitration Association. Such arbitration shall be conducted pursuant to the rules of the American Arbitration Association, and the decision of such arbitration shall be binding on both parties hereto.

4. Representations and Warranties

A. Seller hereby makes the following representations and warranties to Buyer, each of which is and shall be true as of the Closing Date:

(1) Organization:

Seller is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware, and has all necessary corporate power and authority to authorize the execution, delivery, and performance of this Agreement.

(2) Actions Taken:

All corporate actions required for Seller to authorize execution and delivery of this Agreement and consummation of the transactions and obligations provided herein have been duly taken and this Agreement is valid, binding and enforceable as to Seller.

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(3) No Violation:

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The execution and delivery by Seller of this Agreement does not and the consummation by Seller of the transactions contemplated hereby will not violate any provision of the articles of incorporation or bylaws of Seller, or of any judgment, decree, court order, contract, agreement, mortgage, indenture or arbitration award or ruling applicable to Seller, nor to the knowledge of Seller does execution and delivery of this Agreement by Seller and the performance of the same violate any law, statute or regulation of any governmental authority.

(4) Consents and Cooperation:

Attached hereto as Exhibit 14 is a list of all contracts (except sales orders, purchase orders, and related instruments), commitments, mortgages, agreements, leases, and instruments which are substantial and material in Seller's current conduct of the NED Business requiring the consent of another party thereto in order to affect an assignment or transfer of Seller's interests pursuant to this Agreement and the consummation of the transactions contemplated hereby. It is agreed that no provision of this Agreement shall be construed as an attempt to agree to assign any contracts which may not be assigned without the consent of the other party or parties thereto unless such consent shall have been given and the parties hereto agree to cooperate and use their best efforts to fulfill all such contracts in order that Buyer may receive the benefits thereof.

Except as provided above Seller is not required to obtain the consent, approval or waiver of any person not a party to this Agreement to any matter which is substantial and material hereto with regard to the execution, delivery or performance of this Agreement that has not been obtained.

(5) Performance and Operation of Business:

Subject to the provisions of Article 11 hereof, at all times since November 1, 1980 Seller has operated the NED Business in the ordinary course and in accordance with good business practice for a continuing business and, Seller represents and warrants that to the best of Seller's knowledge, the NED Business has not been materially adversely affected by failure to obtain or comply with a license, permit, order, authorization, grant, agreement, lease or other document, order or rule, statute, law, ordinance or regulation to which Seller is a party or by which Seller, the Assets or the NED Business is bound.

(6) Written Warranty:

Copies of Seller's standard written sales warranties applicable to NED Business products manufactured and sold by Seller for the 2-year period prior to the Closing Date are attached hereto as Exhibit 15.

(7) Inventory Valuation:

NED Business Inventories are valued in accordance with Seller's standard inventory valuation practice. Finished goods inventory meet the specifications applicable thereto as

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published by the NED Business except for such minor exceptions as are neither substantial nor material with respect to this particular representation or warranty.

(8) Infringement:

Seller has not made, nor does it make, any representation or warranty to Buyer that any of the Assets sold, or any of the products of the NED Business or any of the processes used in production of such products, are free from infringement of the patent or other proprietary rights of others. Seller does represent and warrant, however, that except as may be disclosed on Exhibit 16, attached hereto, Seller is not aware of any pending or proposed claim that Seller has infringed or is infringing patents or other proprietary rights with respect to any of the Assets or products of the NED Business or their manufacture, nor is Seller's General Manager of the NED Business, his immediate superior, or Seller's Director of Patents and Licensing aware of any such claim nor do they have actual knowledge of any party with rights superior to the Seller's rights in the trademark set forth on Exhibit 6.

(9) Financial Statements:

Seller has delivered to the Buyer an unaudited balance sheet of the NED Business as of February 27, 1981, and unaudited statements of profit and loss for each of the years in the three-year period ended September 30, 1980, a copy of which is attached as Exhibit 17. Such balance sheet has been prepared



in accordance with generally accepted accounting principles for divisional operations, is complete and correct and fairly presents as of the date thereof the assets and liabilities of the NED Business. The statements of profit and loss present fairly the sales, cost of sales and operating expenses of the NED Business. The adjustment under Article 3C will be prepared in accordance with generally accepted accounting principles for divisional operations consistently applied.

(10) Title to Personal Properties:

The Seller to its knowledge and belief has good and marketable title to the Inventories, Machinery and Equipment, Patents, Trademark, and Trade Accounts Receivable (excepting any accounts for which there is a claim to offset or to which there is a dispute) to be sold to Buyer hereunder, subject to no mortgage, pledge, lien, encumbrance, security interest, or charge, except for i) liens shown on Exhibit 18 as securing specified liabilities (with respect to which no default exists), ii) those disclosed in the divisional balance sheet for the NED Business as of February 27, 1981 as provided for in Article 4A(9), iii) the lien of taxes not yet due and payable (if applicable) and iv) minor encumbrances and imperfections of title, if any, which are not substantial in amount and do not materially detract from the value of the properties subject thereto, or materially impair the NED Business operations.

*[Handwritten signature]*

(11) Disputes and Controversies:

To the best of Seller's knowledge there are no disputes or controversies involving individually more than \$5,000 existing between Seller and any of its customers or suppliers with respect to any contract involving any NED Business except as set forth in Exhibit 19.

(12) Labor Contracts:

The NED Business is not a party to any labor contracts covering the current NED Business employees and there are no threatened work stoppages at the NED Business premises and there are no major disputes or controversies existing between the management of the NED Business and its employees.

(13) Taxes:

The NED Business is not presently involved in any active or outstanding dispute involving substantial and material amounts with respect to any sales, personal or real property taxes as to the amount of taxes due, nor has it to the best of its knowledge and belief received any notice of any deficiency, audit or other indication of deficiency from any tax authority, with respect to the NED Business.

(14) Insurance:

Assets are and will be adequately insured against fire and casualty to the Closing Date.

(15) Employee Benefit Plans:

Set forth in Exhibit 20 is a complete list and a

description as set forth in Varian's Standard Benefits Booklets of each health insurance program and pension, profit sharing, retirement plan or arrangement covering employees of the NED Business to which Seller is a party.

(16) Exhibits:

Each schedule and exhibit furnished hereunder by Seller is substantially true, correct and complete in all material respects. No representation or warranty by Seller in this Agreement nor any document, statement, certificate, exhibit or schedule furnished or to be furnished to Buyer pursuant hereto, or in connection with transactions contemplated hereby, contains or will contain any untrue statement of a material adverse fact, or omits or will omit to state a material adverse fact necessary to make the statements of facts contained therein not materially misleading.

B. The representations and warranties of Seller contained in subparagraphs 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, and 16 of Article 4A, hereof, shall survive the Closing Date for a period of two years thereafter and those in subparagraph 10 shall survive the Closing Date for a period of 10 years thereafter.

C. Seller makes no representations and/or warranties, express or implied, to Buyer except as expressly provided in this Agreement, its exhibits or attachments. It is further provided that representations and warranties of Seller shall not apply to any matter with respect to which Buyer has agreed in writing

NO RE 91

with Seller not to rely upon Seller's representations.

D. Buyer hereby makes the following representations and warranties to Seller, each of which is and shall be true as of the Closing Date.

(1) Organization:

Buyer is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Illinois, and has all necessary corporate power and authority to authorize the execution, delivery and performance of this Agreement.

(2) Action Taken:

All corporate actions required for Buyer to authorize execution and delivery of this Agreement and consummation of the transactions and obligations provided herein have been duly taken, and this Agreement is valid, binding and enforceable as to Buyer.

(3) No Violation:

The execution and delivery by Buyer of this Agreement does not and the consummation by Buyer of the transaction contemplated hereby will not violate any provision of the articles of incorporation or bylaws of Buyer, or of any judgment, decree, court order, contract, agreement, mortgage, indenture or arbitration award or ruling applicable to Buyer, nor to the knowledge of Buyer does execution and delivery of this Agreement by Buyer and the performance of the same violate any law, statute or regulation

of any governmental authority.

(4) Consents and Cooperation:

Buyer is not required to obtain the consent, approval or waiver of any person not a party to this Agreement to any matter which is substantial and material hereto with regard to the execution, delivery, or performance of this Agreement that has not been obtained.

(5) Financial Statements:

Attached hereto as Exhibit 21 is the consolidated balance sheet of Buyer as of February 28, 1981, together with a consolidated statement of income and retained earnings of Buyer for the period then ended and the fiscal year to such date. Such financial statements, though unaudited, have been prepared in accordance with generally accepted accounting principles consistently applied by Buyer through the period covered and fairly present the financial position of Buyer as of the date of said balance sheet and the results of its operations for the period covered.

(6) Exhibits:

Each schedule and exhibit furnished hereunder by Buyer is substantially true, correct and complete in all material respects. No representation or warranty by Buyer in this Agreement nor any document, statement, certificate, exhibit or schedule furnished or to be furnished to Seller pursuant hereto, or in connection with transactions contemplated hereby, contains or

will contain any untrue statement of a material adverse fact, or omits or will omit to state a material adverse fact necessary to make the statements of facts contained therein not materially misleading.

(7) Subsidiary:

Each subsidiary of Buyer which may receive any interest or assets or assume any obligation or liability, or take any action by virtue of this Agreement is, or will be on the Closing Date, a corporate entity duly organized and incorporated, validly existing and in good standing under the laws of the jurisdiction where incorporated, and on the Closing Date shall have taken all corporate actions which may be required to authorize acceptance of such assets, assumption of such obligations and/or liabilities, or such other actions contemplated by this Agreement.

(8) Survival:

The representations and warranties of Buyer contained in subparagraphs 1, 2, 3, 4, 5, 6 and 7 of Article 4(D) hereof shall survive the Closing Date for a period of two years thereafter.

E. Buyer makes no representations and/or warranties, express or implied, to Seller except as expressly provided in this Agreement, its exhibits or attachments. It is further provided that representations and warranties of Buyer shall not apply to any matter with respect to which Seller has agreed

in writing with Buyer not to rely upon Buyer's representations.

F. The rights and remedies of each of the parties with respect to misrepresentations or breaches of the warranties provided in this Agreement are limited to those misrepresentations or breaches of warranty which are adverse to the claiming party and are material with respect to this Agreement, the purchase and sale transaction which it evidences and the rights of the claiming party taken as a whole. The party claiming injury from any misrepresentation or breach of warranty shall, within a reasonable time after discovery thereof and within the specified time period applicable thereto, give written notice to the other party of each such misrepresentation or breach of warranty and the parties shall cooperate fully with each other to resolve each such matter through mutual agreement, including, where necessary to substantially preserve the benefits of this Agreement for each of them, the payment of money. In the event that the parties are unable to reach agreement within a reasonable period of time, then, provided that it has made reasonable efforts to meet with the other party and to negotiate a settlement of the matter, either of them shall be entitled to sue for money damages caused solely by such claimed breach of warranty or misrepresentation. The foregoing shall constitute the sole and exclusive remedy of each of the parties with respect to any misrepresentation or breach of any warranty with respect to this Agreement.

5. Opinions of Counsel

A. On the Closing Date, Seller will deliver to Buyer the opinion of its counsel, John Cooper, Esq., dated the Closing date, stating:

(1) that Seller is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, and has all necessary corporate power and authority to authorize the execution, delivery and performance of this Agreement.

(2) that except as may be specified in this Agreement or on any Exhibit attached hereto that counsel does not know of any litigation, proceeding, or governmental investigation pending or threatened against or relating to the NED Business;

(3) that all corporate actions required for Seller to authorize the execution and delivery of this Agreement and consummation of the transactions provided for by this Agreement have been duly and validly taken.

(4) that the Seller has the complete and unrestricted power under its articles and bylaws to sell, transfer and deliver to the Buyer all of the tangible personal property of the NED Business to be sold under this Agreement, and the instruments executed and delivered to the Buyer hereunder are valid in accordance with their terms and effectively vest in the Buyer good and marketable title to the assets of the NED Business subject to the provisions of Article 4A(10) of the Agreement.



(5) that to the knowledge of counsel except as provided elsewhere in the Agreement Seller is not required to obtain the consent, approval or waiver of any person not a party to this Agreement to any matter which is substantial and material hereto with regard to the to execution, delivery or performance of this Agreement that has not been obtained.

B. On the Closing Date, Buyer will deliver to Seller the opinion of its counsel, Messrs. Arvey, Hodes, Costello & Burman dated the Closing Date, stating:

(1) that Buyer is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Illinois, and has all necessary corporate power and authority to authorize the execution, delivery and performance of this Agreement.

(2) that all corporate actions required for Buyer to authorize the execution and delivery of this Agreement and the consummation of the transactions and obligations provided for by this Agreement have been duly and validly taken.

(3) that the Buyer has complete and unrestricted power under its articles and by laws to acquire the Assets and assume the obligations as provided for in this Agreement and that the instruments executed and delivered to the Seller hereunder are valid in accordance with their terms.

(4) that to the knowledge of counsel Buyer is not required to obtain the consent, approval or waiver of any person

not a party to this Agreement to any matter which is substantial and material hereto with regard to the execution, delivery or performance of this Agreement that has not been obtained.

(5) that each subsidiary of Buyer which may receive any interest or assets, or assume any obligations or liability, or take any action by virtue of this Agreement is duly organized and incorporated, validly existing, and in good standing under the laws of the jurisdiction where incorporated, and as of the Closing Date shall have taken all corporate action which may be required to authorize acceptance of such assets, assumption of such obligations and/or liabilities, and all other actions contemplated by this Agreement.

6. The Closing

The Closing of the transactions provided for in this Agreement will be at the offices of Arvey, Hodes, Costello & Burman, Chicago, Illinois at the date specified in the notice of exercise of option given by Buyer pursuant to that certain Option Agreement dated April 11, 1981 by and between Buyer and Seller, or at such other time and place as the parties may agree to in writing.

7. Seller's Obligations at Closing

At the Closing Seller shall deliver to Buyer the following instruments, in form and substance satisfactory to the Buyer against delivery of the items specified in Article 8 hereof, and such performance by Seller shall be a condition to performance

condition to performance by Buyer under Article 8 hereof:

A. Instruments of assignment and transfer of all assets as provided for in Article 1A(1), (2), and (3), of this Agreement.

B. An assignment and delegation of Seller's right, title and interest in all matters provided for in Article 2A of this Agreement.

C. Patent and trademark documentation as provided for in Article 1A(4) hereof.

D. An opinion of Seller's counsel as provided for in Article 5A hereof.

E. The description of current customers of the NED Business as indicated on Exhibit 8.

F. A certificate executed by an officer of Seller certifying that all of Seller's representations and warranties provided for in this Agreement are true as of the Closing Date, and that in all material respects Seller has performed or complied with all agreements and conditions required by this Agreement or the Option Agreement to be performed or complied with by Seller, on or prior to the Closing Date.

G. A copy certified by the Seller's corporate secretary of the resolution of Seller's board of directors authorizing the execution and performance of this Agreement and the Option Agreement and all actions to be undertaken by Seller under this Agreement and the Option Agreement.

H. (i) A stamped and recordable warranty deed conveying

RE 99

the Property listed on Exhibit 7 subject only to the matters listed on Exhibit 7.

(ii) A current plat of survey of the Property listed on Exhibit 7 made, and so certified, by the Illinois licensed surveyor making the plat, to Buyer and Chicago Title Insurance Company as having been made, in compliance with the Illinois Land Survey Standards and which will survey indicate the following:

1. That the correct legal description of the Property is the same as set forth on Exhibit 7;
2. That the acreage or square footage of the Property is not less than 80 acres (including any dedicated roads);
3. That all improvements on the Property are within the Property lines and do not violate any building lines or other restrictions affecting the Property.
4. All easements and all roads and highways affecting or abutting upon the Property and that none interfere with the use and occupation of the Property or any improvements thereon; and
5. That there are no encroachments of improvements of adjoining property onto the Property.

The above requirements are subject however, to the condition

that in the event that the plat of survey indicates that the acreage is less than 80 acres (including any dedicated roads) as provided in subparagraph 2 above, or that encroachments described in subparagraph 5 above reduce the unencumbered acreage below 80 acres (including any dedicated roads) and which cannot be removed by Seller within 6 months from the Closing Date (providing they do not interfere with the operation by Buyer of the NED Business), the Seller will reimburse the Buyer in the amount arrived at by multiplying the amount by which the total of the actual and unencroached acreage on the Property is less in acreage than 80 acres (including any dedicated roads) by \$4,250 per acre.

(iii) A title commitment for an owner's title insurance policy issued by the Chicago Title Insurance Company in the amount of the purchase price allocated to land, buildings and improvements, covering title to said Property on or after the date of the Option Agreement, showing title in Seller subject only to (a) rights or claims of parties in possession not shown of record, (b) easements and claims of easement not shown of record, (c) mechanics' or materialmen's liens or other statutory liens for labor or material not shown of record, (d) taxes or special assessments which are not shown as existing liens by public records, (e) the title exceptions listed on Exhibit 7, (f) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the Closing and which the

RE 101

Seller may so remove at that time by using the funds to be paid at the Closing (all of which are herein referred to as the permitted exceptions).

The title commitment shall be conclusive evidence of good title as therein shown as to all matters insured by the policy, subject only to the exceptions as therein stated. Seller also shall furnish Buyer an affidavit of title in customary form covering the Closing Date and showing title in Seller subject only to the permitted exceptions provided for in this subparagraph (iii) and unpermitted exceptions or defects in the title disclosed by the survey, if any, as to which the title insurer commits to extend insurance in the manner specified below.

If the title commitment or plat of survey discloses either unpermitted exceptions or survey matters that render the title unmarketable (herein referred to as "survey defects"), Seller shall have the exceptions removed from the commitment or correct such survey defects or have the title insurer commit to insure against loss or damage that may be occasioned by such exceptions or survey defects. If Seller fails to have the exceptions removed or correct any survey defects, or in the alternative, to obtain the commitment for title insurance specified above as to such exceptions or survey defects Purchaser agrees that it will take title as it then is with the right to deduct from the Purchase Price liens or encumbrances. Provided that Buyer's remedy set forth herein shall be Buyer's sole and

exclusive remedy with respect to all title matters related to or arising out of the Property.

I. An assignment of the lease dated March 1, 1980 by and between Seller and Jay Johnson for certain real property of the NED Business, a copy of which is attached as Exhibit 22.

J. Seller shall pay the amount of any stamp tax imposed by State law on the transfer of the title, and shall furnish a completed Real Estate Transfer Declaration signed by the Seller or the Seller's agent in the form required pursuant to the Real Estate Transfer Act of the State of Illinois, and shall furnish any declaration signed by the Seller or the Seller's agent or meet other requirements as established by any local ordinance with regard to a transfer or transaction tax. Such tax required by local ordinance shall be paid by the Buyer. Seller shall pay the cost of and cause the title insurance policy to be promptly issued after Closing.

2 (K.) Deliver an assignment to Buyer of the License Agreement of Burroughs Corporation and all supplements listed and attached as Exhibit 14 with the consent to such assignment by Burroughs Corporation. In the event that Seller is unable to deliver such assignment and consent on the Closing Date, Buyer shall have the right to terminate this Agreement in which case the Option Price as specified in the Option Agreement shall be refunded by Seller to Buyer together with interest on the Option Price at the rate

RE 103

provided in Article 4 of the Option Agreement from the date of payment to Seller of the Option Price to the date of refund to Buyer, within five (5) business days after termination.

L. Immediately following the Closing Seller, through its officers, agents, and employees, will put Buyer into full possession and enjoyment of all properties and assets to be conveyed and transferred by this Agreement in the condition in which they then exist and subject to all conditions as provided in this Agreement.

Seller, at any time after the Closing, at Buyer's expense will execute, acknowledge and deliver any further deeds, assignments, conveyances, documents, instruments of transfer, and other instruments reasonably requested by Buyer and consistent with the terms of this Agreement, and at Buyer's expense will take any other action consistent with the terms of this Agreement that may be reasonably requested by Buyer for the purpose of assigning, transferring, granting, conveying, and confirming to Buyer any or all property to be conveyed and transferred by this Agreement and of carrying out and evidencing the transactions contemplated by this Agreement.

8. Buyer's Obligations at Closing

At the Closing Buyer shall deliver to Seller the following instruments, in form and substance satisfactory to the

RE 104  
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Seller, against delivery of the items specified in Article 7 hereof, and such performance by Buyer shall be a condition to performance by Seller under Article 7 hereof.

A. A wire transfer of Purchase Price funds to Buyer's account as set forth in Article 3A.

B. An opinion of Buyer's counsel dated as of the Closing Date, as provided for in Article 5B, hereof.

C. A copy certified by the Buyer's corporate secretary of the resolution of Buyer's board of directors authorizing the execution and performance of this Agreement and the Option Agreement and all actions to be undertaken by Buyer under this Agreement and the Option Agreement.

D. A certificate executed by Buyer's President certifying that all of Buyer's representations and warranties provided for in the Agreement are true as of the Closing Date, and that in all material respects Buyer has performed or complied with all agreements and conditions required by this Agreement or the Option Agreement to be performed or complied with by Buyer on or prior to the Closing Date.

E. Instruments of assumption of the obligations and liabilities to be assumed by Buyer under this Agreement.

Buyer, and its subsidiaries, at any time after the Closing at Seller's expense, will execute, acknowledge and

deliver any further documents, assumptions and other instruments reasonably requested by Seller and consistent with the terms of this Agreement, and at Seller's expense will take any other action consistent with the terms of this Agreement that may be reasonably requested by Seller for the purpose of carrying out and evidencing the transactions contemplated by this Agreement.

9. Seller's Obligations After Closing

A. Repurchase of Accounts Receivable

Subject to all of the provisions of this Article Seller agrees to repurchase from Buyer any Trade Accounts Receivable identified in Exhibit 4, attached hereto, purchased by Buyer pursuant to this Agreement at the Closing which remain uncollected at the end of the nine (9) month period following the Closing Date (the "Collection Period"). Within ten (10) business days after delivery by Buyer to Seller of a schedule listing all those accounts receivable unpaid at the end of the Collection Period together with all supporting documentation, Seller will pay to Buyer the amount remaining due on said unpaid receivables, less, (i) the amount of the reserve for doubtful accounts reflected in the books of the NED Business on February 27, 1981, and (ii) the amount of any receivables written off as uncollectible by Seller before the Closing Date and which were not included in calculating the value of Trade Accounts Receivables under Article 3C, but paid to Buyer during the Collection Period. All amounts paid to Buyer after the Collection Period which are applicable to scheduled

accounts repurchased by Seller pursuant to this Article shall be promptly paid over to Seller. If more than one invoice is outstanding for any customer, the "first-in, first-out" principle shall be applied in determining the invoice to which a payment relates, unless the payment by its terms specifies or clearly indicates the invoice to which it relates.

Buyer agrees to exercise, in accordance with its customary collection practices but without resort to litigation, prompt and diligent efforts to collect all unpaid Trade Accounts Receivable transferred at Closing before the end of the nine month Collection Period provided in this Article. Buyer shall cause all unpaid NED Business Trade Accounts Receivables repurchased by Seller pursuant to this Article to be assigned to Seller without recourse, on Seller's payment for those accounts.

B. Indemnification

Seller agrees to indemnify, defend and hold harmless Buyer, its successors, subsidiaries and assigns from and with respect to any and all claims, liabilities, losses, damages, costs and expenses from or related to any of the following:

(1) any and all claims, obligations and liabilities existing prior to the Closing Date, including those which may not be asserted until after the Closing Date, regarding the NED Business which Buyer is not required to assume under this Agreement and which are not the specific subject of a provision

contained elsewhere in this Agreement (including without limitation Article 11 and Exhibit 23 hereof), and

(2) the failure of Seller to have full corporate power or to have taken all necessary and proper corporate action to authorize the execution and delivery by Seller of this Agreement and the Option Agreement and the performance of transactions contemplated therein.

Buyer shall promptly notify Seller in writing, and shall keep Seller informed of any claim, demand, or other matter to which Seller's indemnification obligation under this Article would apply, and shall give Seller a reasonable opportunity to defend the same at its own expense and with counsel of its own selection, provided that Buyer shall at all times also have the right to fully participate in said defense at its own expense. If Seller shall, within a reasonable time after written notice, fail to defend, Buyer shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle (exercising reasonable business judgment), the claim or other matter on its own behalf, for the account, and at the risk of Seller. The Buyer shall make available all information and assistance that Seller may reasonably request for use in defending against any such claim.

C. Seller's Competition

Seller agrees that it will not at any time within the five year period immediately following the Closing Date, engage

in the manufacture of the same products currently produced by the NED Business as identified in Exhibit 1B, 1C, 1D and 1E attached hereto; provided, however, that Seller shall not be precluded from so competing in the event that Seller acquires substantially all of the stock or assets of or merges with any corporation or other business entity or portion thereof which, at the time of such acquisition or merger, manufactures and/or sells such products and such products constitute less than twenty-five (25%) per cent of its total annual sales for its most recent fiscal year.

10. Buyer's Obligations After Closing

A. Indemnification

Buyer agrees to indemnify, defend and hold Seller and its successors, subsidiaries, and assigns harmless from and with respect to any and all claims, liabilities, losses, damages, costs and expenses from or related to any of the following:

(1) The failure of Buyer to have full corporate power or to have taken all necessary and proper corporate action to authorize the execution and delivery by Buyer of this Agreement and the Option Agreement, and the performance of the transactions contemplated therein.

(2) Any and all claims, obligations, or liabilities whatsoever related to Buyer's operation of the NED Business.

Seller shall promptly notify Buyer in writing, and shall keep Buyer informed of any claim, demand, or other matter to

which Buyer's indemnification obligations under this Article would apply, and shall give Buyer a reasonable opportunity to defend the same at its own expense and with counsel of its own selection, provided that Seller shall at all times also have the right to fully participate in said defense at its own expense. If Buyer shall within a reasonable time after written notice, fail to defend, Seller shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle (exercising reasonable business judgment), the claim or other matter on its own behalf, for the account, and at the risk of Buyer. Seller shall make available all information and assistance that Buyer may reasonably request for use in defending against any such claim.

11. Environment

Buyer and Seller have discussed the fact that the operation of the NED Business involves various industrial metals, chemicals and chemical compounds which are subject to various governmental regulatory agencies.

Seller has completed and filed certain forms and applications required by said agencies and is in the process of applying for appropriate permits. If appropriate under the current regulatory scheme, Seller shall be entitled to seek any variances available to it, and in all other respects the rights and obligations of the parties with respect to such metals, chemicals and chemical compounds shall be governed by the provisions of Exhibit 23 to

RE 110

Agreement.

Buyer and Seller have reviewed these matters with experts and each has made its own independent assessment of the experts' findings. In entering into this Agreement and in operating the NED Business after the Closing Date, and subject to the provisions of Exhibit 23 attached hereto Buyer shall rely solely on Buyer's own review of these matters and shall not rely in any way upon any representations, warranties or statements of Seller, its representatives, agents, consultants or contractors.

12. Employees

A. After the Closing Seller will use its good offices to assist Buyer in hiring and Buyer shall offer employment to all NED employees employed in the NED Business at LaFox, Illinois and NED Business sales personnel located elsewhere as of the Closing Date.

B. Buyer shall offer to each NED employee, and shall pay to each NED employee who accepts employment with Buyer, a wage or salary at least equal to that which he or she was receiving from Seller on the Closing Date and shall offer and provide substantially similar and comparable benefits as those to which each such NED employee was entitled on the Closing Date, provided, however, that it is understood that Buyer does not have an exact equivalent to the NED Business stock option and stock benefit plan and will not offer such, but agrees that each NED employee it hires shall be enrolled by Buyer in its pension plan/profit

...paring plan with employee's service time recognized for vesting purposes. Each such employee's service time as recognized by Seller immediately prior to the Closing Date for purposes of employment and employee benefit programs shall be credited to said employee by Buyer for purposes of Buyer's employee benefit programs. The benefits and claims to such programs identified in Exhibit 20 shall be the exclusive obligation of Buyer subsequent to the Closing.

C. Buyer and Seller agree to cooperate to use their best efforts to persuade all NED employees to accept employment with Buyer upon the Closing.

D. Solicitation of Employees by Seller

Seller agrees that for a period of three years from the Closing Date it or its subsidiaries will not solicit for employment with Seller or its subsidiaries any employees of NED who accept employment with Buyer or any wholly owned subsidiary of Buyer succeeding to the NED Business at the Closing.

13. Trademark and Use of Name

A. Trademark

Seller hereby transfers and assigns to Buyer all of Seller's right, title and interest in its registered U.S. trademark No. 658739 which Seller hereby represents to the best of its knowledge is valid and in good standing.

B. Use of Name of Seller

Subsequent to the Closing Buyer agrees that it will



like the following steps in dealing with customers, vendors, licensees, governmental authorities and any other third parties to communicate and identify that subsequent to the Closing Date the manufacture, sale and furnishing of NED products and services and the operation of the NED Business are the sole responsibility of Buyer: (i) the mailing, not later than 20 days after the Closing, by first class mail to all known customers and vendors of Seller's NED Business of a letter the form and content of which is set forth in Exhibit 24, and (ii) the modification of signs on property, markings on products and packages, markings on equipment and vehicles and changes in stationery and brochures as more specifically provided below.

Effective upon the Closing, the Buyer in its operation of the NED Business acquired hereby shall:

i) be permitted to use, for a period not to exceed ninety (90) days, any stationery, checks, invoices, or purchase orders existing at the Closing at NED Business bearing either the NED Business or the Varian name or logo, provided, always that Buyer shall prominently identify itself thereon by a label, or by a decaled, rubber-stamped, stenciled or otherwise applied legend mutually agreed in advance.

ii) before sending or otherwise making available to any third party any packaging materials, packaging inserts, sales literature or technical literature of the NED Business, shall prominently mark such products, as feasible, and the face

or cover page of such materials, inserts and literature with a gummed label, decal, rubber-stamped, stenciled or other appropriately applied legend clearly identifying Buyer as the owner of the NED Business responsible for the products thereof and for all such materials, inserts and literature,

iii) before shipping or providing any NED Business product Buyer shall date code each such product to permanently identify it as a product shipped after the Closing Date, and

iv) shall, as soon as is reasonably practicable but in all events prior to 90 days subsequent to Closing, stop marking products with the Varian name or logo.

Subject to the above-required identification and modification provisions Seller hereby grants Buyer authorization to use Seller's (i) sales literature, (ii) packaging materials and (iii) technical literature intended for public dissemination for sales purposes, which are transferred pursuant to this Agreement, for a period of one year following the Closing Date with regard to sales literature and packaging, and two years following the Closing Date with regard to technical literature.

Buyer shall defend, indemnify and hold harmless Seller from any and all claims, suits, damages or other actions of any nature whatsoever arising out of Buyer's use of Seller's materials as provided herein.

#### 14. Miscellaneous

A. Use of Premises. Seller shall have a non-transferable rent free period of ninety (90) days from the Closing Date to

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remove its current inventory and equipment and other assets relating to Seller's SCR business (collectively referred to as the SCR Assets) from the NED premises. Seller agrees that as a result of removing the SCR Assets from the NED Business premises such premises will not be left in a condition which solely as a result of such removal either violates any applicable government regulation or results in a condition which presents a clear and present hazard. Further it is agreed that the Seller may abandon the Deionized Water equipment and all associated equipment, wiring and piping associated therewith, and any other equipment which cannot be removed without leaving the premises in violation of either of the conditions specified in the immediately preceding sentence so long as leaving such other equipment does not itself violate either of such conditions.

B. Finder's Fee. Each party represents to the other that to its own knowledge there have been no brokers or finders involved in any of the transactions contemplated by this Agreement, and, insofar as it knows, no broker or other person is entitled to any commissions or finder's fee in connection with any of these transactions. In this regard each party agrees that it shall be responsible only for its own obligations with regard to any alleged finder's or broker's services.

C. Expenses. Each of the parties hereto shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out

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the transactions contemplated by this Agreement.

D. Successors and Assigns. This Agreement and the transactions contemplated hereunder shall be binding upon and shall inure to the benefit of the successors and assigns of the parties, provided, however that prior to the Closing Date neither this Agreement nor any of the rights or obligations hereunder may be assigned or transferred by Buyer without Seller's prior written consent, and any attempt to transfer or assign without such consent shall be void ab initio and without effect. In the event Seller grants such consent it shall be entitled to demand any and all conditions thereto, which Seller, in its sole discretion, deems appropriate to protect its interests, including without limitation deposits of money and the written guarantee of Buyer.

Notwithstanding the above Seller hereby consents to Buyer's assignment of this Agreement to a wholly owned subsidiary of Buyer provided that at the time of such assignment Buyer shall have provided to Seller a full and complete guarantee of all of Buyer's obligations and undertakings under and with respect to this Agreement in form and substance acceptable to Seller and further provided that Buyer's net worth as reflected in Exhibit 21 attached hereto has not changed in any material or substantial manner other than to reflect the borrowings undertaken to consummate the transaction contemplated by this Agreement.

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15. Form of Agreement

A. Headings

The subject heading of the paragraphs and subparagraphs of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

B. Entire Agreement

This Agreement and the exhibits referred to herein and attached hereto and the Option Agreement constitutes the entire agreement between the parties pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties. No supplement, modification, or amendment of this agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

C. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

16. Governing Law

This Agreement will be construed in accordance with

and governed by the laws of the State of Illinois without regard to the rules of conflicts of laws.

17. Notices

Any notice or demand, or communication necessary or desirable hereunder, shall be in writing and considered sufficient and delivery shall be deemed complete if delivered in person, or mailed by certified or registered mail postage prepaid, or sent by telegram, if:

To Buyer: addressed as follows:

Richardson Electronics, Ltd.  
P. O. Box 424  
Franklin Park, Illinois 60131  
Attn: Edward Richardson,  
President

with copy to: Scott Hodes  
William G. Seils  
Arvey, Hodes, Costello & Burman  
Attorneys at Law  
180 North La Salle Street  
Chicago, Illinois 60601

To Seller: addressed as follows:

Varian Associates, Inc.  
611 Hansen Way  
Palo Alto, CA 94040  
Attn: General Counsel

or any other address as either party may specify to the other in writing.

18. Publicity

All press releases and other announcements to the general public concerning the transactions contemplated by this Agreement shall be jointly planned and coordinated in advance between

Seller and Buyer. Neither party shall act unilaterally in this regard without the prior written approval of the other; however, this approval shall not be unreasonably withheld.

19. Access to Records and Premises

Seller shall have the right at all reasonable times to make copies or abstracts of all books and records delivered to the Buyer under the terms of this Agreement if, in Seller's opinion, such books and records are material to Seller in connection with any tax matters, litigation, governmental inquiry or other business purposes. Buyer agrees to retain all books and records relating to the NED Business for such periods of time as are required by good business practice and by applicable governmental regulations. The Buyer may dispose of such books and records at any time after Closing Date, provided that Seller shall have received at least six months' written notice of the Buyer's intention to dispose of such books and records and shall have been given the opportunity to remove any of such books and records. After the Closing Seller shall have access to the NED Business premises during normal business hours in a manner not to interfere with Buyer's normal business operations in order to comply with any of Seller's obligations or undertakings pursuant to this Agreement. Such access shall be made on such dates and times as are mutually agreeable to the parties hereto.

21. Option Agreement

This Agreement is the "Agreement of Purchase and Sale"

referred to in a certain Option Agreement between the parties, which Option Agreement is executed and dated by the parties simultaneously with the signing of this Agreement. In the event of any conflict between the terms of the Option Agreement and this Agreement, the Option Agreement shall take precedence over the terms of this Agreement. This Agreement shall be the sole Agreement subject to said Option Agreement, provided, however, that this Agreement shall be of no force and effect until Seller shall have received from Buyer within the time period specified in said Option Agreement and in the form attached to said Option Agreement, Buyer's exercise of its Option in accordance with said Option Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the date first above written and the persons executing this Agreement hereby represent that they are respectively authorized to do so.

BUYER:

Richardson Electronics, Ltd.

By Edward J. Richardson  
Edward J. Richardson, President

SELLER:

Varian Associates, Inc.

By Rankine Van Anda  
Rankine Van Anda  
Authorized Signatory



**EPA - REGION V  
SUPERFUND DOCUMENT MANAGEMENT SYSTEM  
(SDMS)  
ENFORCEMENT CONFIDENTIAL INFORMATION**

The material listed below is deemed enforcement confidential and has been redacted. Authorized staff may contact the EPA Region V Records Center for information on viewing this material. Approval for release of enforcement confidential material is granted by the Office of Regional Counsel.

<b>SITE NAME</b>	<b>CONSERVATION CHEMICAL</b>
<b>PHASE ACTIVITY</b>	<b>PRP/ENFORCEMENT</b>
<b>PRP AFFILIATION</b>	<b>VARIAN</b>
<b>DOCUMENT DATE(S)</b>	
<b>DOCUMENT TYPE</b>	<b>FINANCIAL STATEMENTS, INSURANCE, &amp; TAX RETURNS</b>
<b>IS THIS DOCUMENT PART OF ANOTHER DOCUMENT?</b>	<b>YES; 104(E) RESPONSE</b>

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 or 15 (d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 29, 1989 Commission File No. 1-7598

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended September 29, 1989

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

VARIAN ASSOCIATES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of  
incorporation or organization)

(Taxpayer  
Identification No.)

Hansen Way

(Address of principal executive offices)

(415) 493-4000

(Reg. number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange  
on which registered

COMMON STOCK,  
\$1.00 PAR VALUE

NEW YORK STOCK EXCHANGE  
PACIFIC STOCK EXCHANGE

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports  
required to be filed by Section 13 or 15 (d) of the Securities Exchange Act  
of 1934 during the preceding 12 months (or for such shorter period that the  
registrant was required to file such reports), and (2) has been subject to  
such filing requirements for the past 90 days.

YES ☒ NO ☐

Aggregate market value of the voting stock  
held by non-affiliates of the registrant:

As of October 27, 1989

Number of shares of common stock, par value \$1,  
outstanding:

An index of exhibits filed with this Form 10-K is located on page 46.

Documents Incorporated by Reference:

Varian Associates, Inc. notice of annual meeting  
of shareholders and proxy statement

Part III

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REC'D S.E.C.

DEC 18 1989

FEB 106

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 or 15 (d)  
OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended September 29, 1989 Commission File No. 1-7598

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the fiscal year ended September 29, 1989

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

VARIAN ASSOCIATES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

94-2359345

(State or other jurisdiction of  
incorporation or organization)

Ray, \_\_\_\_\_

(Principal executive officer)

(Registrant's telephone number)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange  
on which registered

COMMON STOCK,  
\$1.00 PAR VALUE

NEW YORK STOCK EXCHANGE  
PACIFIC STOCK EXCHANGE

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports  
required to be filed by Section 13 or 15 (d) of the Securities Exchange Act  
of 1934 during the preceding 12 months (or for such shorter period that the  
registrant was required to file such reports), and (2) has been subject to  
such filing requirements for the past 90 days.

YES ☒ NO ☐

Aggregate market value of the voting stock  
held by non-affiliates of the registrant:

As of October 27, 1989

Number of shares of common stock, par value \$1,  
outstanding:

An index of exhibits filed with this Form 10-K is located on page 46.

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of shareholders and proxy statement

Part III

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VARIAN ASSOCIATES, INC.

1989 FORM 10-K ANNUAL REPORT  
Table of Contents

PART I

Item 1.	Business.....	3
Item 2.	Properties.....	6
Item 3.	Legal Proceedings.....	8
Item 4.	Submission of Matters to a Vote of Security Holders.....	8

PART II

Item 5.	Market for the Registrant's Common Equity and Related Stockholder Matters.....	8
Item 6.	Selected Financial Data.....	9
Item 7.	Management's Discussion and Analysis of Financial Condition and Results of Operations.....	10
Item 8.	Financial Statements and Supplementary Data.....	14
Item 9.	Disagreements on Accounting and Financial Disclosures....	14

PART III

Item 10.	Directors, Executive Officers, Promoters, and Control Persons of the Registrant.....	14
Item 11.	Executive Compensation.....	16
Item 12.	Security Ownership on Certain Beneficial Owners and Management.....	16
Item 13.	Certain Relationships and Related Transactions.....	16

PART IV

Item 14.	Exhibits, Financial Statement Schedules, and Reports on Form 8-K.....	16
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## PART I

### Item 1. Business

Varian Associates, Inc. together with its subsidiaries (hereinafter referred to as the "Company") is a high-technology enterprise, founded in 1948, engaged in the research, development, manufacture, and marketing of various products and services for the fields of communication, defense, industrial production, scientific and industrial research, health care, and environmental monitoring. The Company's principal lines of business are Electron Device and Systems, Analytical Instruments, Semiconductor Equipment, and Medical and Industrial Products. The Company's foreign subsidiaries engage in some of the aforementioned lines of business and market the Company's products outside the United States. As of September 29, 1989, the Company employed approximately 12,100 people worldwide.

The Company markets its products throughout most of the world, and has 50 field sales offices in the U.S. and 50 offices in other countries. In general, the Company's markets are quite competitive, characterized by the application of advanced technology, and by the development of new products and applications. Many of the Company's competitors are large, well-known manufacturers, and no reliable information is generally available on their sales of similar products.

There were no material changes in the kinds of products produced or in the methods of distribution since the beginning of the fiscal year. The Company anticipates adequate availability of raw materials.

The Company's sales to customers outside of the United States for 1989 were \$503 million. The profitability of such sales is subject to greater fluctuation than U.S. sales because of generally higher marketing costs and changes in the relative value of currencies. Additional information concerning the method of accounting for the Company's foreign currency translation is set forth in the notes to the consolidated financial statements.

The Company's operations are grouped into two segments. These segments, their products, and the markets they serve are described in the following paragraphs.

The Company's Electron Device and Systems segment, is organized around two major areas of activity. Electron Devices, the larger of the two, holds world leadership positions in microwave, power grid, special purpose electron tubes, and an expanding position in gallium-arsenide-based solid-state components and night vision devices. The second major area of operation, Systems, includes power amplifiers and other systems used in satellite communications, high-power transmitters for radar, radio and television broadcasting, and other communications applications, as well as electronic countermeasures, and instrumentation. Approximately one-half of the segment's sales are for defense applications, including electronic countermeasures, radar, and missile guidance. About one-third of its sales are for communication applications, including radio and television broadcasting and satellite communications. Industrial and medical markets, such as X-ray generation and imaging, are also served.

Item 1. (Continued)

Replacements and spares represent over one-half of the tube sales, particularly those used for communications, defense, and medical applications. Backlog for this segment amounted to \$425 million in both fiscal 1989 and 1988.

The Company's largest business segment, Equipment, is organized around three major areas consisting of Semiconductor Equipment, Analytical Instrument, and Medical and Industrial Products Groups.

The Semiconductor Equipment Group manufactures process equipment used to make semiconductor devices such as integrated circuits. The major product lines are ion implantation and sputter deposition. The Company is a leader in the development, manufacture and application of equipment utilizing ion implantation and sputter-coating in semiconductor wafer processing. This equipment reduces costs and improves yield by placing heavy emphasis on microprocessor control and automation, while producing devices with increased circuit speeds. Backlog for this business amounted to \$125 million and \$113 million in fiscal 1989 and 1988, respectively.

The Analytical Instrument Group manufactures, sells and services a variety of scientific instruments for analyzing chemical substances. The substances analyzed include metals, inorganic materials, organic compounds, polymers, natural substances, and biochemicals. The products include liquid and gas chromatographs, NMR spectrometers, ultraviolet visible and atomic absorption spectrophotometers, and associated data products. Typical applications are biochemical and organic chemical research, measurement of the chemical composition of mixtures, studies of the chemical structure of pure compounds, quality control of manufactured materials, chemical analysis of natural products, and the satisfaction of environmental and regulatory chemical measurement needs. The major markets served are the pharmaceutical and chemical industries, chemical and life science academic research, government laboratories and specific areas of the health care industry. Large growing areas for the use of the Company's analytical instruments are environmental monitoring and life science applications in industry, government, and academic institutions. Backlog for this business amounted to \$56 million and \$49 million in fiscal 1989 and 1988, respectively.

The Medical and Industrial Products Group manufactures linear accelerators, simulators, supplies and systems. Linear accelerators are used in cancer therapy and for industrial radiographic applications. The Company's leading CLINAC<sup>®</sup> series of accelerators, marketed to hospitals and clinics worldwide, generate therapeutic x-rays and electron beams for cancer treatment. LINATRON linear accelerators are used in industrial applications for x-ray examination of heavy metallic structures for quality control and materials irradiation for sterilization. Backlog for this business amounted to \$236 million and \$222 million in fiscal 1989 and 1988, respectively.

Item 1. (Continued)

Additional information regarding the Company's lines of business and international operations is set forth in the notes to the consolidated financial statements.

The Company maintains an in-house patent department, holds numerous United States and non-U.S. patents, and has many United States and non-U.S. patent applications pending. The Company considers the development of patents through creative research and the maintenance of an active patent program to be advantageous in the conduct of its business, but does not regard the holding of patents as essential to its operations. The Company grants licenses to reliable manufacturers on various terms and conditions. At present, the Company participates in a number of cross-licensing arrangements with other parties. Information regarding the Company's research and development costs is contained in the notes to the consolidated financial statements.

The Company's manufacturing operations are subject to the various federal, state, and local laws restricting the discharge of materials in the environment. The Company is not involved in any pending or threatened proceedings which would require curtailment of its operations because of such regulations. The Company's capital expenditures for environmental control facilities were not material in fiscal 1989, and are not anticipated to be material in succeeding fiscal years.

## Item 2. Properties

The Company's executive offices and principal research and manufacturing facilities are located in Palo Alto, California, on 77 acres of land held under leaseholds which expire in the years 2012 through 2058. These buildings owned by the Company are situated on the Palo Alto site, and provide floor space totaling 1,186,000 square feet. The following is a summary of the Company's properties at September 29, 1989:

	<u>Land (Acres)</u>		<u>Buildings (000's Sq. Ft.)</u>	
	<u>Owned</u>	<u>Leased</u>	<u>Owned</u>	<u>Leased</u>
United States	165	142	2,709	971
International	<u>43</u>	<u>6</u>	<u>397</u>	<u>401</u>
	<u>208</u>	<u>148</u>	<u>3,106</u>	<u>1,372</u>

Of the 4.5 million square feet of building space owned or leased on September 29, 1989, approximately 3.4 million was used for manufacturing, with 2.9 million square feet located in the United States and .5 million square feet located in five other countries.

Marketing and service facilities utilized about .6 million square feet in 100 sales offices throughout the world. Research and administrative facilities account for most of the balance.

The capacity of these facilities is sufficient to meet current demand. The Company owns substantially all of the machinery and equipment in use in its plants. It is the Company's policy to maintain its plants and equipment in excellent repair and at a high level of efficiency.

Utilization of facilities by segment is shown in the following table:

	<u>Buildings (000's Sq. Ft.)</u>				
	<u>U.S. Mfg.</u>	<u>Non- U.S. Mfg.</u>	<u>Total Mfg.</u>	<u>Mktg./ Svc.</u>	<u>Total</u>
Electron Device and Systems	1,792	205	1,997	68	2,065
Equipment					
Semiconductor Equipment	534	-	534	120	654
Analytical Instruments	276	119	395	258	653
Medical & Industrial Products	<u>314</u>	<u>132</u>	<u>446</u>	<u>157</u>	<u>603</u>
	<u>1,124</u>	<u>251</u>	<u>1,375</u>	<u>535</u>	<u>1,910</u>
Total Operations	<u>2,916</u>	<u>456</u>	<u>3,372</u>	<u>603</u>	<u>3,975</u>
Other					<u>503</u>
Total					<u>4,478</u>



Item 2. (Continued)

Manufacturing sites by geographical location are as follows:

Electron Device and Systems	California, Massachusetts, Texas, Utah, Canada, England, Taiwan
Equipment	
Semiconductor Equipment	California, Massachusetts
Analytical Instruments	California, Australia
Medical and Industrial Products	California, Massachusetts, England, Italy

Company-owned and staffed sales offices throughout the world are located in NORTH and SOUTH AMERICA: Brazil, Canada, Mexico, United States; EUROPE: Austria, Belgium, Denmark, France, Italy, the Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom, West Germany; and PACIFIC BASIN: Australia, People's Republic of China, Hong Kong, Japan, South Korea, Singapore.

See the Long-Term Debt note contained in the notes to the consolidated financial statements for encumbrances on property.

Item 3. Legal Proceedings

Information required by this item is included in the "Contingencies" note to the consolidated financial statements. See page 35 of this document.

Item 4. Submission of Matters to a Vote of Security Holders

None

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

The following table sets forth the high and low sales price of the Company's common stock on the New York Stock Exchange Composite Index (trading symbol VAR) for the last two years. The common stock of the Company is listed on the New York Stock Exchange and the Pacific Stock Exchange.

<u>Fiscal Year</u>	<u>Fiscal Quarter Ended</u>	<u>High</u>	<u>Low</u>
1989	September 29, 1989	\$28-3/8	\$23-1/2
	June 30, 1989	28-5/8	23-1/2
	March 31, 1989	30-5/8	25-3/4
	December 30, 1988	30-1/4	25-1/2
1988	September 30, 1988	\$30-7/8	\$25
	July 1, 1988	31	25-3/4
	April 1, 1988	30-3/8	22-1/2
	January 1, 1988	39	18-1/4

The approximate number of shareholders of record of the Company's common stock at October 27, 1989 was 9,900.

Dividends are paid quarterly and have been 6-1/2 cents per share for each quarter in fiscal years 1989 and 1988. As of fiscal year-end 1989, approximately \$50.1 million of retained earnings were unrestricted for the payment of cash dividends.

Item 6. Selected Financial Data

	FISCAL YEARS						
(Dollars in millions except per share amounts)	1989	1988	1987	1986	1985	1984	1983
<b>SUMMARY OF OPERATIONS</b>							
Sales	\$ 1,343.6	1,170.6	982.8	891.1	935.9	884.5	724.3
Operating Earnings (Loss)	\$ 66.5	34.7	28.4	(33.9)	26.6	107.1	68.6
Interest Income (Expense), Net	\$ (9.6)	(6.3)	(4.5)	(6.3)	(3.7)	4.1	-
Other Income (Expense)	\$ (6.1)	15.0	8.0	-	31.2	-	4.5
Earnings (Loss) from Continuing Operations before Taxes (Benefits)	\$ 50.8	43.4	31.9	(40.2)	54.1	111.2	73.1
Taxes (Benefits) on Earnings (Loss)	\$ 19.3	15.6	10.5	(25.3)	16.2	45.0	28.3
Earnings (Loss) from Continuing Operations	\$ 31.5	27.8	21.4	(14.9)	37.9	66.2	44.8
Earnings (Loss) from Discontinued Operations, Net of Taxes (Benefits)	\$ -	-	-	-	(11.8)	(6.3)	0.1
Net Earnings (Loss)	\$ 31.5	27.8	21.4	(14.9)	26.1	59.9	44.9
Net Earnings (Loss) Per Share - Fully Diluted							
Earnings (Loss) Continuing Operations	\$ 1.53	1.27	0.98	(0.70)	1.73	3.01	2.14
Loss Discontinued Operations	\$ -	-	-	-	(0.54)	(0.29)	-
Net Earnings (Loss) Per Share - Fully Diluted	\$ 1.53	1.27	0.98	(0.70)	1.19	2.72	2.14
Dividends Declared Per Share	\$ 0.26	0.26	0.26	0.26	0.26	0.26	0.26
<b>FINANCIAL POSITION AT YEAR END</b>							
Working capital, excluding notes payable	\$ 282.7	267.6	258.7	231.2	245.1	298.1	271.5
Property, plant, and equipment (at cost)	\$ 511.2	472.6	458.6	429.0	403.6	314.5	260.1
Total assets	\$ 931.3	855.8	829.6	790.2	744.8	720.8	598.7
Long-term debt	\$ 54.9	35.2	38.1	50.8	46.2	43.0	42.3
Total debt	\$ 108.6	49.4	86.9	81.1	64.6	58.1	50.1
Shareholders' equity	\$ 427.3	451.0	438.1	410.9	429.2	426.9	362.5
Shareholders' equity per share outstanding	\$ 21.48	20.81	19.95	19.16	20.14	19.57	16.93
<b>OTHER DATA</b>							
Shares outstanding at year end (in thousands)	19,896	21,674	21,966	21,448	21,313	21,817	21,408
Employees	12,100	11,800	11,900	11,600	11,900	12,700	11,100
Shareholders	9,500	10,100	10,000	11,000	10,600	10,600	12,400
Order Backlog	\$ 851.6	810.5	727.2	628.4	600.0	571.2	451.2
Depreciation expense	\$ 40.7	40.4	37.3	32.9	24.8	19.1	16.5
Pre-tax return from continuing operations on average net assets	\$ 9.5	8.7	6.7	(8.2)	11.4	28.4	22.2
Return from continuing operations, net of taxes (benefits), on average equity	\$ 7.2	6.4	5.1	(3.5)	8.7	16.9	14.7
Total debt as a percent of total capital	\$ 20.3	9.9	16.6	16.5	13.1	12.0	12.1

Note: This selected financial data should be read in conjunction with the related consolidated financial statements and notes thereto included in Item 8.

Item 7. Management's Discussion and Analysis of  
Financial Condition and Results of Operations

RESULTS OF OPERATIONS

Net earnings for the fiscal year-ended September 29, 1989 were up 13% to \$31.5 million, or \$1.53 per share, compared to \$27.8 million, or \$1.27 per share, in fiscal 1988 and \$21.4 million, or \$.98 per share, in fiscal 1987. The 1989 results include charges for anticipated legal expenses of \$3.8 million, or \$.18 per share, net of tax effects, in connection with an ongoing government investigation of the power grid tube industry. The 1988 results include a \$22.8 million, or \$1.04 per share, restructuring charge net of tax effects and a net gain from the sale of the Specialty Metals Division of \$9.6 million, or \$.44 per share. The 1987 figures reflect other income of \$5.6 million, or \$.26 per share, net of tax effects, mainly from an advance settlement of a royalty agreement.

Orders and sales for fiscal 1989 set new records. Orders for fiscal 1989 were up 10%, to \$1.39 billion, compared to \$1.26 billion in fiscal 1988 and \$1.08 billion in fiscal 1987. Sales for fiscal 1989 were up 15%, to \$1.34 billion, compared to \$1.17 billion and \$983 million in fiscal 1988 and 1987 respectively. Order backlog increased to \$852 million versus \$811 million at the end of fiscal 1988 and \$727 million at the end of fiscal 1987.

Orders and sales rose in all groups in fiscal 1989. However, the poor results in Electron Device and Systems Segment pulled down profits for the Company overall. The decline was primarily the result of operating problems, and largely reflects establishment of reserves for cost overruns and slower than expected resolution of some technical problems. In addition, actions taken to downsize some of the operations in this area resulted in one-time charges that contributed to the earnings shortfall.

The Company's Electron Device and Systems Segment had modestly higher orders and sales in 1989; however, operating profits were below the prior year. Microwave tubes and systems activities operated at a loss in contrast to x-ray tube and other commercial operations, which operated at a profit. The Company's gallium-arsenide device operations were also profitable.

The Equipment Segment experienced strong growth in orders and sales for 1989, and profits continued on an upward trend. However, group results within the Equipment Segment were mixed.

Business levels for the Analytical Instrument Group were essentially flat with those of the prior year. Operating profit decreased from fiscal 1988, primarily due to generally weaker market conditions in the second half of the year and the effect of the strong dollar on sales made in foreign currencies. International sales accounted for over half of this group's volume. This business has achieved a more acceptable level of performance in recent years and should maintain that in 1990 in the face of projected flat market conditions.

## Management's Discussion and Analysis (continued)

The Company's Semiconductor Equipment Group recorded strongly higher orders in 1989. Sales rose more than 50% above those of the previous year, and the group had sound profitability. The acceptance of the Company's new products continues to be excellent and shipments of its latest generation equipment, including the M2000 sputtering system, are gaining momentum. The Company's sale of Tokyo Electron Limited equipment in the U.S. and European markets also made an important contribution to the higher orders and sales. The prospects for this business in 1990 are optimistic based on Varian's strong market positions in Japan and Korea and the fact that semiconductor manufacturers in the U.S. and Europe are also gearing up to produce the next generation of devices, such as the new microprocessors and four megabit memories.

In the Medical and Industrial Products Group, orders and sales for Varian's cancer therapy equipment business rose to record levels with continuing excellent profitability and cash flow. New product introductions in the cancer therapy market were highly successful in 1989. Additional technological enhancements and expanded product offerings in this field are expected to lead to improved cancer cure rates and strong demand for these systems in the 1990's. The Company's vacuum products operations should also experience improved performance and profitability in the coming months.

In August 1989, the Company and a number of its employees received grand jury subpoenas in connection with a U.S. Department of Justice antitrust investigation of the power grid tube industry. This follows earlier civil investigative demands made to the Company and others in March 1989. The likely outcome of the inquiry or the effect thereof cannot be determined at this time.

On August 2, 1989, Varian announced a significant change in the Company's strategy. The new strategy focuses on growth opportunities in semiconductor equipment, analytical instruments, and medical products. The traditional electron tube-based businesses are concentrating on optimizing profit and cash flow. Varian's gallium-arsenide product activities continue to be focused on niches to which the Company can bring a competitive advantage. The aggressive push of recent years to enter new systems areas in the Electron Device and Systems Segment has been abandoned due to depressed defense market conditions. Varian's systems activities are being redirected to provide equipment based on existing product lines and markets, and on generating new sockets for Varian's component products.

Late in the year several organization changes occurred. In August 1989, Vincent Battaglia, who joined Varian as Electron Device and Systems Segment president two years ago with the assignment to expand into new systems areas, resigned in light of the change in emphasis. Also in August, in a separate unrelated step, the Company announced that Tony Jurvetson, president of the Semiconductor Equipment Group, resigned. Mr. Jurvetson left the Company to head Athens Corp., which is involved in chemical reprocessing for the semiconductor industry.

Management's Discussion and Analysis (continued)

On September 21, 1989, the Company announced the formation of an Office of the Chairman in connection with its Board of Directors' engagement in the process of selecting a successor to Thomas Sege as chief executive officer. Mr. Sege, 63, now Varian's chairman as well as chief executive officer (CEO), has announced his intention to step out of the chief executive's role before the age of 65. The creation of the new Office allows for consideration of candidates for the CEO position from outside the Company as well as appropriate members of Varian's senior management team. The Office is intended to enhance management effectiveness and flexibility by bringing the strongest senior management capability to bear directly on the areas of greatest need in the Company. Under the new organization, Varian's senior operating managers report directly to Mr. Sege. Norman Pond, president, is devoting substantial attention to the Semiconductor Equipment Group as well as other corporate structuring and performance improvement initiatives. Allen Lauer continues as president of the Instrument Group, and is leading a corporatwide initiative to improve manufacturing processes and productivity. Al Wilunowski, previously vice president of Microwave Tube Operations, has been promoted to president of the Electron Device Group. Richard Levy continues to head the Medical and Industrial Products Group, with some unrelated operational responsibilities. He is also leading a broad initiative to enhance Varian's marketing capabilities.

Inflation had no significant effect on the results reported from operations in 1989, nor the previous two years.

Research and development expense of \$83.1 million in 1989 continued at about the same level as in the prior two years.

Net interest expense in 1989 was \$9.6 million compared with net interest expense of \$6.3 million in 1988 and \$4.5 million in 1987. The increase in net interest expense was due to increases in both short- and long-term obligations.

The effective tax rate for fiscal 1989 was 38%, compared with 36% and 33% in 1988 and 1987, respectively. The increase in the tax rate from 1988 was due to several factors. The State effective rate increased because State tax benefits available in prior years had been fully utilized by the end of 1988. The foreign effective rate is higher as a result of certain foreign taxing jurisdictions which do not allow the benefit of tax loss carrybacks. Fiscal 1988 included a non-recurring benefit related to an inventory adjustment for discontinued operations. These increases are partially offset by an increase in the Foreign Sales Corporation (FSC) benefit for 1989 and an adjustment in 1988 related to Domestic International Sales Corporation (DISC) benefits for prior years. The increase in the effective tax rate from 1987 to 1988 was primarily caused by the reduction and repeal of various tax benefits, which more than offset the decrease in the statutory rate.

## Management's Discussion and Analysis (continued)

In December 1987, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 96, Accounting for Income Taxes (FAS 96), which the Company has not yet adopted. See Summary of Significant Accounting Policies in notes to consolidated financial statements.

### FINANCIAL CONDITION

The Company's financial condition remained strong during 1989. Activity in the common stock repurchase program increased from \$17.8 million in 1988 to \$60.6 million in 1989. Purchases of small product lines in the semiconductor equipment and the electron device and systems businesses consumed an additional \$37.4 million. Proceeds from the sale of businesses and property, plant, and equipment provided \$10.9 million in 1989 compared with \$38.5 million in the previous year. Accordingly, cash and cash equivalents decreased \$11.5 million and short- and long-term borrowings increased significantly. Net borrowings on short-term obligations were \$32.0 million in 1989 compared to net payments of \$34.6 million in 1988. Proceeds, net of principal payments, from long-term borrowings were \$27.1 million for the year. The increase in total debt of \$59.2 million increased the total debt to total capital ratio to 20.3% compared to 9.9% in 1988. The Company has available \$170 million in unused committed lines of credit.

The ratio of current assets to current liabilities at fiscal year-end 1989 was 1.55 to 1, compared to 1.75 to 1 at fiscal year-end 1988. Increased inventory is consistent with increases in sales and backlog. Accounts receivable increased 4% compared to a 15% increase in sales during the year.

Item 8. Financial Statements and Supplementary Data

The response to this item is submitted as a separate section to this report. See Item 14.

Item 9. Disagreements on Accounting and Financial Disclosure

None

PART III

Item 10. Directors, Executive Officers, Promoters, and Control Persons of the Registrant

The information concerning the Company's directors contained in its 1989 Proxy Statement to be filed hereafter is incorporated by reference.

The following table sets forth the names and ages of the registrant's executive officers, together with positions and offices held within the last five years with the registrant by such executive officers. Officers are appointed to serve until the meeting of the Board of Directors following the next Annual Meeting of Stockholders and until their successors have been elected and have qualified.

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Term</u>
Thomas D. Sege (Director)	63	Chairman of the Board and Chief Executive Officer	1987-Present
		Chairman of the Board, Chief Executive Officer and President	1986-1987
		Chairman of the Board and Chief Executive Officer	1984-1986
		President and Chief Executive Officer	1982-1984
Norman H. Rond (Director)	51	President and Acting President, Semiconductor Equipment	1989-Present
		President and Chief Operating Officer	1987-1989
		Executive Vice President and President, Electron Devices	1986-1987
		Vice President and President, Electron Devices	1984-1986
Alan J. Bennett	48	Vice President, Research	1984-Present
Stanley Z. Cole	63	Vice President and Director of Patents and Licensing	1985-Present
		Director, Patents & Licensing	1981-1985
John J. Cooper (Director)	65	Vice President & General Counsel	1987-Present
		Vice President, General Counsel and Secretary	1979-1987



Item 10. (Continued)

<u>Name</u>	<u>Age</u>	<u>Position</u>	<u>Term</u>
Ernest M. Pelago	45	Vice President, Human Resources Vice President, Human Resources, Chromalloy America Corporation	1987-Present 1983-1987
Allen J. Lauer	52	Senior Vice President and President, Analytical Instruments President, Analytical Instruments	1989-Present 1981-1989
Robert A. Lemos	48	Vice President, Finance Vice President and Treasurer Treasurer	1986-Present 1985-1986 1982-1985
Richard M. Levy	51	Senior Vice President and President, Medical and Industrial Vice President and President, Medical and Industrial President, Medical and Industrial General Manager, Radiation Assistant General Manager, Radiation	1989-Present 1988-1989 1988 1986-1988 1981-1986
Gary E. Simpson	52	Vice President, Corporate Communications	1983-Present
William R. Moore	57	Secretary and Associate General Counsel Senior Counsel	1987-Present 1979-1987
Wayne P. Somrak	44	Controller Operations Controller Controller, Semiconductor Equipment	1985-Present 1985 1983-1985
James A. Taylor	43	Treasurer Assistant Treasurer Director of Taxes	1986-Present 1985-1986 1981-1985
Al Wilunowski	43	Vice President and President, Electron Devices Vice President, Microwave Tube Operations General Manager, NMR Instrument Assistant President, Semiconductor Equipment	1989-Present 1989 1986-1989 1983-1986

There is no family relationship between any of the executive officers.

Item 11. Executive Compensation

This item has been omitted inasmuch as the Company will file with the Commission a definite proxy statement pursuant to Regulation 14A before January 12, 1990 and is incorporated by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

This item has been omitted inasmuch as the Company will file with the Commission a definite proxy statement pursuant to Regulation 14A before January 12, 1990 and is incorporated by reference.

Item 13. Certain Relationships and Related Transactions

This item has been omitted inasmuch as the Company will file with the Commission a definite proxy statement pursuant to Regulation 14A before January 12, 1990 and is incorporated by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) The following documents are filed as a part of this report:

- (1) Consolidated Financial Statements and Report of Independent Accountants: see the index on page 19 of this report.
- (2) Consolidated Financial Statement Schedules: see the index on page 19 of this report.
- (3) Exhibits: see the index on page 46 of this report.
  - 3-a Registrant's Restated Certificate of Incorporation, dated June 26, 1987. Exhibit incorporated by reference to registrant's Form 10-K for the year ended October 2, 1987, filed December 22, 1987.
  - 3-b Registrant's Bylaws, dated October 20, 1989. Exhibit incorporated by reference to registrant's Form 8-K filed December 1, 1989
  - 3-c Registrant's Specimen Stock Certificate. Exhibit incorporated by reference to registrant's Form 8-K for the month of February, 1977, filed March 4, 1977.
  - 4 Preferred Stock Purchase Rights. Exhibit incorporated by reference to registrant's Form 8-A dated August 2, 1986, filed September 2, 1986, and amended by amendment no. 1 dated July 7, 1989.
  - 11 Computation of earnings per share in accordance with interpretive release No. 34-9083
  - 22 Subsidiaries of the Registrant
  - 24 Consent of Independent Accountants
  - 28 Agreement between Varian Associates, Inc. and the Department of Defense concerning termination of Suspension of Continental Electronics, a division of Varian, and establishment of a continuing surveillance program


(b) Reports on Form 8-K:  
No reports of Form 8-K have been filed for the last quarter of the period covered by this report.

SIGNATURES

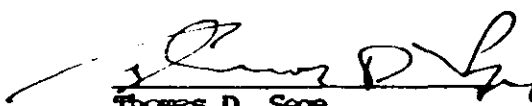


Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Varian Associates, Inc. has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.



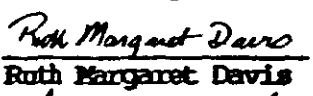

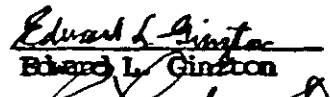
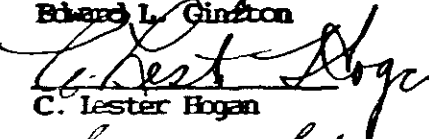
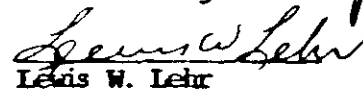


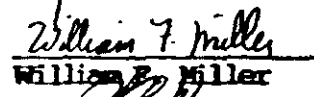
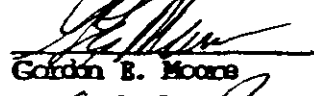
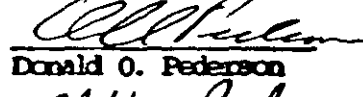

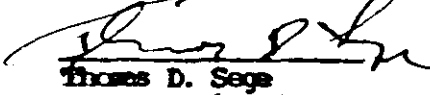

VARIAN ASSOCIATES, INC.  
(Registrant)

Date: December 15, 1989

By:   
Robert A. Lemos  
Vice President, Finance

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
Principal Executive Officer:		
 Thomas D. Sege	Chairman of the Board and Chief Executive Office	December 15, 1989
Principal Financial Officer:		
 Robert A. Lemos	Vice President, Finance	December 15, 1989
Principal Accounting Officer:		
 Wayne P. Somrak	Controller	December 15, 1989

<u>Director's Signature</u>	<u>Title</u>	<u>Date</u>
 Kenneth J. Arrow	Director	December 15, 1989
 John J. Cooper	Director	December 15, 1989
 Ruth Margaret Davis	Director	December 15, 1989
 James C. Gaither	Director	December 15, 1989
 Edward L. Ginton	Director	December 15, 1989
 C. Lester Hogan	Director	December 15, 1989
 Lewis W. Lehr	Director	December 15, 1989
 Angus A. MacNaughton	Director	December 15, 1989
 John G. McDonald	Director	December 15, 1989
 William F. Miller	Director	December 15, 1989
 Gordon E. Moore	Director	December 15, 1989
 Donald O. Pederson	Director	December 15, 1989
 Norman H. Pond	Director	December 15, 1989
 Thomas D. Segs	Director	December 15, 1989
 H. Myrl Stearns	Director	December 15, 1989

VARIAN ASSOCIATES, INC. AND SUBSIDIARY COMPANIES

FORM 10-K

INDEX OF FINANCIAL STATEMENTS AND SCHEDULES

The following financial statements of the registrant and its subsidiaries are required to be included in Item 8:

Consolidated Financial Statements:

Report of Independent Accountants .....	20
Statements of Earnings for the fiscal years ended	
September 29, 1989, September 30, 1988, and October 2, 1987 ...	21
Balance Sheets at September 29, 1989 and September 30, 1988 .....	22
Statements of Shareholders' Equity for the fiscal years ended	
September 29, 1989, September 30, 1988, and October 2, 1987 ...	23
Statements of Cash Flows for the fiscal years ended	
September 29, 1989, September 30, 1988 and October 2, 1987 ....	24
Notes to the Consolidated Financial Statements .....	25-39

The following financial statement schedules of the registrant and its subsidiaries for the fiscal years ended September 29, 1989, September 30, 1988, and October 2, 1987 are required to be included in Item 14(a):

Consolidated Financial Statement Schedules:

Schedule II	Amounts Receivable from Related Parties and Underwriters, Promoters, and Employees other than Related Parties .....	40
Schedule V	Property, Plant, and Equipment .....	41
Schedule VI	Accumulated Depreciation, Depletion and Amortization of Property, Plant, and Equipment ...	42
Schedule VIII	Valuation and Qualifying Accounts .....	43
Schedule IX	Short-Term Borrowings .....	44
Schedule X	Supplementary Income Statement Information .....	45

All other required schedules are omitted because of the absence of conditions under which they are required or because the required information is given in the financial statements or the notes thereto.

**REPORT OF INDEPENDENT ACCOUNTANTS**

To the Board of Directors and Shareholders of  
Varian Associates, Inc.

We have audited the accompanying consolidated financial statements and financial statement schedules of Varian Associates, Inc. and subsidiary companies as listed in the financial statement index on page 19 of this Form 10-K. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Varian Associates, Inc. and subsidiary companies as of September 29, 1989 and September 30, 1988, and the consolidated results of their operations and their cash flows for each of the three fiscal years in the period ended September 29, 1989 in conformity with generally accepted accounting principles. In addition, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly the information required to be included therein.

As discussed in the contingencies note to the consolidated financial statements, the Company and a number of its employees received grand jury subpoenas in connection with a U.S. Department of Justice antitrust investigation. The likely outcome of the inquiry or the effect thereof cannot be determined at this time and thus the Company has made no provision for any liability.

*Coopers & Lybrand*  
COOPERS & LYBRAND

San Jose, California  
October 20, 1989

CONSOLIDATED STATEMENTS OF EARNINGS  
Varian Associates, Inc. and Subsidiary Companies

For each of the three fiscal years in  
the period ended September 29, 1989

(Dollars in thousands except per share amounts)	1989	1988	1987
SALES	\$1,343,632	\$1,170,568	\$ 982,776
OPERATING COSTS AND EXPENSES			
Cost of sales	961,728	809,635	676,382
Research and development	83,071	80,222	80,726
Marketing	156,049	145,813	131,936
General and administrative	76,256	65,219	65,327
Restructuring charges	-	35,018	-
Total operating costs and expenses	1,277,104	1,135,907	954,371
OPERATING EARNINGS	66,528	34,651	28,405
Interest expense	(10,791)	(7,915)	(6,602)
Interest income	1,192	1,583	2,046
Other income (expense)	(6,100)	15,059	8,046
EARNINGS BEFORE TAXES	50,829	43,378	31,895
Taxes on earnings	19,310	15,620	10,530
NET EARNINGS	\$ 31,519	\$ 27,758	\$ 21,365
NET EARNINGS PER SHARE - FULLY DILUTED	\$ 1.53	\$ 1.27	\$ 0.98

See accompanying notes to the consolidated financial statements.

CONSOLIDATED BALANCE SHEETS  
Varian Associates, Inc. and Subsidiary Companies

	September 29, 1989	September 30, 1988
(Dollars in thousands except par values)		
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ -	\$ 11,539
Accounts receivable, less allowances for doubtful accounts of \$1,711 (1989) and \$2,037 (1988)	263,738	252,469
Inventories	285,725	245,455
Other current assets	93,774	80,459
<b>Total Current Assets</b>	<b>643,237</b>	<b>589,922</b>
Property, Plant, and Equipment	511,213	472,554
Accumulated depreciation and amortization	(258,442)	(230,894)
<b>Net Property, Plant, and Equipment</b>	<b>252,771</b>	<b>241,660</b>
Other Assets	35,273	24,247
<b>TOTAL ASSETS</b>	<b>\$ 931,281</b>	<b>\$ 855,829</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities		
Notes payable	\$ 53,648	\$ 14,199
Accounts payable - trade	74,528	55,131
Accrued expenses	182,836	177,070
Product warranty	29,910	24,101
Advance payments from customers	73,279	65,976
<b>Total Current Liabilities</b>	<b>414,201</b>	<b>336,477</b>
Long-Term Debt	54,914	35,179
Deferred Taxes	34,885	33,171
<b>Total Liabilities</b>	<b>504,000</b>	<b>404,827</b>
Shareholders' Equity		
Preferred stock		
Authorized 1,000,000 shares, par value \$1, issued none	-	-
Common stock		
Authorized 99,000,000 shares, par value \$1, issued and outstanding 19,896,000 shares (1989), 21,674,000 shares (1988)	19,896	21,674
Capital in excess of par value of common stock	111,356	159,537
Retained earnings	296,029	269,791
<b>Total Shareholders' Equity</b>	<b>427,281</b>	<b>451,002</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 931,281</b>	<b>\$ 855,829</b>

See accompanying notes to the consolidated financial statements.



CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY  
Varian Associates, Inc. and Subsidiary Companies

(Dollars in thousands except per share amounts)	Common Stock	Capital in Excess of Par Value	Retained Earnings	Treasury Stock at Cost	Total
Balances, October 3, 1986	\$ 21,448	\$ 157,476	\$ 232,006	\$ -	\$ 410,930
Net earnings for the year	-	-	21,365	-	21,365
Issuance of stock under employee stock purchase and option plans	518	10,961	-	-	11,479
Dividends declared (\$0.26 per share)	-	-	(5,658)	-	(5,658)
Balances, October 2, 1987	21,966	168,437	247,713	-	438,116
Net earnings for the year	-	-	27,758	-	27,758
Issuance of stock under employee stock purchase and option plans	392	8,256	-	-	8,648
Purchase of common stock	-	-	-	(17,840)	(17,840)
Retirement of treasury stock	(684)	(17,156)	-	17,840	-
Dividends declared (\$0.26 per share)	-	-	(5,680)	-	(5,680)
Balances, September 30, 1988	21,674	159,537	269,791	-	451,002
Net earnings for the year	-	-	31,519	-	31,519
Issuance of stock under employee stock purchase and option plans	459	10,152	-	-	10,611
Purchase of common stock	-	-	-	(60,570)	(60,570)
Retirement of treasury stock	(2,237)	(58,333)	-	60,570	-
Dividends declared (\$0.26 per share)	-	-	(5,281)	-	(5,281)
Balances, September 29, 1989	\$ 19,896	\$ 111,356	\$ 296,029	\$ -	\$ 427,281

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS  
Varian Associates, Inc. and Subsidiary Companies

For each of the three fiscal years in  
the period ended September 29, 1989

(Dollars in thousands)	1989	1988	1987
<b>OPERATING ACTIVITIES</b>			
Net Cash Provided by Operating Activities	\$ 60,180	\$ 39,826	\$ 60,115
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of businesses	7,043	32,500	2,898
Proceeds from sale of property, plant, and equipment	3,874	5,993	7,731
Purchase of property, plant, and equipment	(48,968)	(43,238)	(46,239)
Purchase of businesses, net of cash acquired	(37,385)	-	(17,211)
Net Cash Used by Investing Activities	(75,436)	(4,745)	(52,821)
<b>FINANCING ACTIVITIES</b>			
Net borrowings (payments) on short-term obligations	32,059	(34,607)	18,532
Proceeds from long-term borrowings	30,029	450	22
Principal payments on long-term debt	(2,892)	(3,385)	(13,077)
Proceeds from payments on employee stock notes receivable	-	708	733
Proceeds from common stock issued to employees	10,611	8,648	11,479
Purchase of common stock	(60,570)	(17,840)	-
Dividends paid	(5,408)	(5,710)	(5,623)
Net Cash Provided (Used) by Financing Activities	3,829	(51,736)	12,066
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH</b>	(112)	257	599
Net Increase (Decrease) in Cash and Cash Equivalents	(11,539)	(16,398)	19,959
Cash and Cash Equivalents at Beginning of Year	11,539	27,937	7,978
Cash and Cash Equivalents at End of Year	\$ -	\$ 11,539	\$ 27,937

DETAIL OF NET CASH PROVIDED BY OPERATING ACTIVITIES

Net Earnings	\$ 31,519	\$ 27,758	\$ 21,365
Adjustments to reconcile net earnings to net cash provided by operating activities			
Depreciation	40,656	40,424	37,275
Deferred taxes	1,751	7,365	1,885
Undistributed earnings from affiliates less dividends received	528	(1,108)	177
Gain from sale of businesses	(3,081)	(15,059)	(1,700)
(Gain) loss from sale of assets	519	1,007	(851)
Amortization of intangibles	2,198	2,606	4,768
Abandonment of intangibles and write-off of other assets due to restructuring	-	15,579	-
Changes in assets and liabilities net of effects of acquisitions of businesses:			
Accounts receivable	(5,190)	(43,876)	(15,114)
Inventories	(25,844)	(19,772)	(13,255)
Other current assets	(13,111)	(10,475)	21,647
Accounts payable - trade	14,893	(1,787)	5,284
Accrued expenses	7,921	20,891	(11,057)
Product warranty	5,901	372	798
Advance payments from customers	1,520	15,901	7,893
Net Cash Provided by Operating Activities	\$ 60,180	\$ 39,826	\$ 60,115

See accompanying notes to the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Principles of Consolidation

The consolidated financial statements include those of Varian Associates, Inc. and its subsidiaries. Significant intercompany balances, transactions, and stock holdings have been eliminated in consolidation. Investments in less-than-majority-owned affiliated companies are stated at equity in the net assets of these companies.

#### Foreign Currency Translation

Assets and liabilities of subsidiaries outside the United States representing cash and amounts receivable or payable are translated into U.S. dollars at the exchange rates in effect at year end. Other accounts including inventories and property, plant, and equipment are translated at historical exchange rates. Revenue and expense items are translated at effective rates of exchange prevailing during each year, except that inventories are charged to cost of sales, and depreciation is expensed at historical exchange rates. In determining net earnings, the aggregate exchange gain (loss) for 1989, 1988 and 1987 was (\$4.8) million, \$1.4 million and (\$16) thousand, respectively.

#### Revenue Recognition

Sales and related cost of sales are recognized primarily upon shipment of products. Sales and related cost of sales under long-term contracts to commercial customers and the U. S. Government are recognized primarily as units are delivered.

The estimated sales values of performance under certain U. S. Government fixed-price and fixed-price incentive contracts in process are recognized under the percentage of completion method of accounting where the sales value is determined on the basis of physical completion and costs are expensed as incurred. Sales under cost-reimbursement contracts, primarily research and development contracts, are recorded as costs are incurred and include estimated earned fees in the proportion that costs incurred to date bear to total estimated costs. The fees under certain U. S. Government contracts may be increased or decreased in accordance with cost or performance incentive provisions which measure actual performance against established targets or other criteria. Such incentive fee awards or penalties are included in revenue at the time the amounts can be reasonably determined.

#### Statements of Cash Flows

The Company considers currency on hand, demand deposits, and all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents. Certain amounts in prior Statements of Cash Flows have been revised to be consistent with 1989 presentation. There was no impact on the net change in Cash and Cash Equivalents. Liabilities assumed in the purchases of businesses were \$5.8 million in fiscal 1989 and \$5.8 million in fiscal 1987.

### Inventories

Inventories are valued at the lower of cost or market (realizable value) using last-in, first-out (LIFO) cost for the U.S. inventories of the Analytical Instrument, Semiconductor Equipment, and the Medical and Industrial Products Groups (Equipment Segment). All other inventories are valued principally at average cost. Approximately half of total gross inventories are valued using the LIFO method. If the first-in, first-out (FIFO) method had been used, inventories would have been higher than reported by \$54.2 million in fiscal 1989, \$51.1 million in fiscal 1988, and \$46.7 million in fiscal 1987. Inventories related to long-term contracts amounted to \$35.2 million and \$39.8 million at fiscal year-end 1989 and 1988, respectively. These amounts are net of progress payments of \$8.8 million and \$11.9 million, respectively. Inventoried costs relating to long-term contracts are stated at actual production costs, and generally do not include start-up or general and administrative costs. The main components of inventories are as follows:

(Dollars in millions)	1989	1988
Raw materials and parts	\$140.7	\$117.2
Work in process	101.7	88.0
Finished goods	43.3	40.3
Total Inventories	\$285.7	\$245.5

### Property, Plant, and Equipment

Property, plant, and equipment are stated at cost. Major improvements are capitalized, while maintenance and repairs are expensed currently. Plant and equipment are depreciated over their estimated useful lives using the straight-line method for financial reporting purposes and accelerated methods for tax purposes. Leasehold improvements are amortized using the straight-line method over their estimated useful lives or the length of the lease, whichever is less. The main components of property, plant and equipment are as follows:

(Dollars in millions)	1989	1988
Land and land leaseholds	\$ 14.3	\$ 14.1
Buildings	172.3	158.7
Machinery and equipment	301.2	285.1
Construction in progress	23.4	14.7
Total Property, Plant, and Equipment	\$511.2	\$472.6

### Taxes on Earnings

Deferred recoverable tax benefits of \$70.0 million at fiscal year-end 1989 and \$64.4 million at fiscal year-end 1988 are included in other current assets. These resulted principally from product warranty provisions, inventory reserves, installment sales, reserves for discontinued operations, and special provisions not currently deductible for tax purposes. In addition, this account includes refundable taxes of \$3.2 million at fiscal year-end 1989 and \$3.2 million at fiscal year-end 1988, resulting from the carryback of operating losses and credits. Deferred tax credits of \$34.9 million at fiscal year-end 1989 and \$33.2 million at fiscal year-end 1988 arose primarily from the use of accelerated depreciation methods for tax purposes.

The Company plans to continue reinvesting earnings of its non-U.S. subsidiaries to expand its international activities. Therefore, it makes no provision for additional U.S. taxes which might result from distribution of such earnings unless they are actually repatriated. Amounts repatriated in 1989, 1988, and 1987 were not significant. The Company has foreign tax credit carryovers of \$2.8 million, of which \$1.3 million expire in 1991, \$1.3 million in 1992, and \$.2 million in 1993. At fiscal year-end 1989, 1988, and 1987, the cumulative amount of earnings from certain subsidiaries on which the Company has not provided U.S. income taxes was approximately \$22 million, \$19 million, and \$18 million, respectively.

The Company has a Foreign Sales Corporation (FSC) to assist with its export activities. A portion of the earnings of the FSC is taxable and provision has been made for those taxes. The FSC replaces the former Domestic International Sales Corporation (DISC).

In December 1987, the Financial Accounting Standards Board (FASB) issued Statement No. 96, Accounting for Income Taxes (FAS 96). This statement requires a major change in the method used to account for income taxes. The statement is effective for the Company's fiscal year 1993; earlier adoption is permitted and being considered. The FASB is currently reconsidering certain relevant aspects of FAS 96. The Company is currently studying the implications of the statement, but the timing and impact of its implementation has not yet been determined.

### Research and Development

Company-sponsored research and development costs related to both present and future products are expensed currently. Costs related to research and development contracts are included in inventory and charged to cost of sales upon recognition of related revenue. Total expenditures on research and development for fiscal 1989, 1988, and 1987, were \$110.3 million, \$100.9 million, and \$101.7 million, respectively, of which \$27.2 million, \$20.7 million, and \$21.0 million, respectively, were funded by customers.

### Computation of Earnings Per Share

Earnings per share computations are based on the weighted average common shares outstanding and common share equivalents (dilutive stock options). The average number of common shares and common share equivalents used in the computation of earnings per share in 1989, 1988, and 1987 was 20,659,000, 21,936,000, and 21,834,000 shares, respectively. There is no significant difference between fully diluted earnings per share and primary earnings per share.

### RESTRUCTURING CHARGES

During 1988, the Company incurred restructuring charges of \$35.0 million for a major cost reduction effort that resulted in consolidation of two divisions and the discontinuation of a product line in the Semiconductor Equipment Group, as well as other actions undertaken as part of a companywide cost reduction effort. The restructuring charges are composed mainly of asset write-offs and estimated accruals associated with move and rearrangement, continued product support, termination, and other costs.

### OTHER INCOME (EXPENSE)

In 1989, other expense of \$6.1 million represents charges for anticipated legal expenses in connection with an ongoing government investigation of the power grid tube industry. (See Contingencies Note.)

In 1988, other income of \$15.0 million represents the gain on the sale of the Specialty Metals Division. Sales for the Specialty Metals Division amounted to \$17.4 million in fiscal 1988. Proceeds from the sale were \$32.5 million.

In 1987, other income of \$8.0 million was principally composed of an advanced settlement of a royalty agreement.

### SUBSIDIARIES OUTSIDE THE UNITED STATES

(Dollars in millions)	1989	1988	1987
Sales	\$ 303.3	\$ 289.4	\$ 231.8
Net Earnings	\$ 8.5	\$ 15.1	\$ 11.1
Current assets	\$ 154.8	\$ 147.5	\$ 145.3
Property, plant, and equipment, net of depreciation	28.6	29.0	28.7
Other assets	11.4	8.1	8.1
Total assets	194.8	184.6	182.1
Current liabilities	89.9	94.6	106.1
Other liabilities	.4	.4	-
Net Assets	\$ 104.5	\$ 89.6	\$ 76.0

## RECEIVABLES FROM LONG-TERM CONTRACTS

The following shows the component elements of receivables from long-term contracts included in accounts receivable:

(Dollars in millions)	1989	1988
U.S. Government:		
Billed	\$ 11.2	\$ 23.6
Recoverable costs and accrued profit on progress completed - not billed	5.7	8.1
Total U.S. Government	16.9	31.7
Commercial customers:		
Billed	9.4	4.7
Recoverable costs and accrued profit on progress completed - not billed	7.0	11.6
Total commercial customers	16.4	16.3
Total Receivables from Long-Term Contracts	\$ 33.3	\$ 48.0

Receivables from long-term contracts include amounts having production cycles longer than one year and therefore a portion will not be realized within one year. For fiscal 1989 and 1988 these amounts are \$1.6 million and \$14.8 million, respectively. Recoverable costs and accrued profit on progress completed but not billed for fiscal 1988 have been restated to conform with 1989 presentation.

The balances billed but not paid by customers pursuant to retainage provisions were not significant at fiscal year-end 1989 and 1988. Based on the Company's experience with similar contracts in recent years, the retention balances at fiscal year-end 1989 are expected to be collected in fiscal 1990.

Recoverable costs and accrued profit not billed comprise principally amounts of revenue recognized on contracts for which billings had not been presented to the customers because the amounts were not billable at the balance sheet date. It is anticipated such unbilled amounts receivable from the U.S. Government and commercial customers at fiscal year-end 1989 will be billed and collected in fiscal 1990.

No significant amounts were subject to future negotiation at fiscal year-end 1989 and 1988.

### ACCRUED EXPENSES

(Dollars in millions)	1989	1988
Taxes, including taxes on earnings	\$ 21.5	\$ 26.4
Payroll and employee benefits	53.7	48.1
Restructuring and discontinued operations	15.1	20.7
Estimated loss contingencies	27.2	16.0
Other	65.3	65.9
Total Accrued Expenses	\$182.8	\$177.1

### SHORT-TERM DEBT

Short-term notes payable and the current portion of long-term debt amounting to \$53.6 million and \$14.2 million at fiscal year-end 1989 and 1988, respectively, represent borrowings of U.S. dollars and various foreign currencies under several credit agreements with lenders at weighted average interest rates of 9.4% and 12.5%, respectively. Total debt is subject to limitations included in long-term debt agreements.

At fiscal year-end 1989, the Company had total unused committed lines of credit amounting to \$170 million.

### LONG-TERM DEBT

(Dollars in millions)	1989	1988
Unsecured term loan, 9.9% due in annual installments of \$6.0 through 1994	\$ 30.0	\$ -
Unsecured term loan, 9.5% due in annual installments of \$2.5 through 1995	15.0	17.5
Mortgage loans, interest rates range from 6.8% to 10.75% payable through 2005	18.4	18.7
Other unsecured term loans and obligations, interest rates range from 8.75% to 11.5% payable through 2031	1.8	1.9
Long-term borrowings	65.2	38.1
Less current portion	10.3	2.9
Long-Term Debt	\$ 54.9	\$ 35.2

The 9.9% and 9.5% unsecured term loans contain covenants which limit future borrowings and cash dividends and require the Company to maintain certain levels of working capital and net earnings. At fiscal year-end 1989, the Company was in compliance with all restrictive covenants of the loan agreement and approximately \$50.1 million of retained earnings were unrestricted for payment of cash dividends. Mortgage loans are collateralized by various land and buildings.

Required principal repayments of long-term debt for fiscal years 1990 through 1994 are as follows, in millions: \$10.3, \$10.7, \$10.8, \$10.8, and \$11.9.



## LONG-TERM DEBT (continued)

Interest paid on short-term and long-term debt was \$10.4 million in fiscal 1989, \$7.9 million in fiscal 1988 and \$6.6 million in fiscal 1987.

## STOCK OPTION AND PURCHASE PLANS

As of fiscal year-end 1989, the Company had reserved 2,434,747 shares of common stock for issuance to officers and key employees under stock option plans. All options under the incentive and non-qualified plans have been granted at prices equal to the fair market value of the stock on the date of grant.

Options granted on or before February 10, 1987 are exercisable commencing one year following date of grant, expire if not exercised within ten, seven, or five years from date of grant, and, based on issue date, are exercisable in cumulative installments of one-quarter, one-third, or one-half each year. Options granted on or after February 11, 1987 are exercisable in cumulative installments of one-third each year, commencing one year following date of grant, and expire if not exercised within seven years from date of grant. Option activity under the plans is presented below:

	1989		1988		1987	
(Dollars in millions except per share amounts, shares in thousands)	Shares	Dollars	Shares	Dollars	Shares	Dollars
Beginning of year	1,419	\$ 36.6	1,139	\$ 28.7	1,564	\$ 48.7
Granted	439	12.8	436	12.2	1,058	26.8
Terminated or expired	(93)	(2.7)	(109)	(3.3)	(1,258)	(42.4)
Exercised	(112)	(2.6)	(47)	(1.0)	(225)	(4.4)
End of Year	1,653	\$ 44.1	1,419	\$ 36.6	1,139	\$ 28.7
Shares exercisable	460		66		306	
Available shares remaining	782		1,127		458	

Options were outstanding at prices ranging from \$22.94 to \$36.25 per share at fiscal year-end 1989. Options were exercised at prices ranging from \$12.10 to \$24.19 for fiscal 1989, \$7.82 to \$33.69 for fiscal 1988, and \$1.82 to \$36.13 for fiscal 1987.

The Employee Stock Purchase Plan (ESPP) covers substantially all employees in the United States and Canada. The participants' purchase price is the lower of 85% of the closing market price on the participants' most recent enrollment date, or 85% of the closing market price on the last trading day of the fiscal quarter. The discount is treated as equivalent to the cost of issuing stock for financial reporting purposes.

#### STOCK OPTION AND PURCHASE PLANS (continued)

During fiscal 1989, 1988, and 1987, 322,000 shares, 314,000 shares, and 301,000 shares were purchased for \$6.9 million, \$6.8 million, and \$6.3 million, respectively. At fiscal year-end 1989, the Company had a balance of 851,000 shares reserved for the ESPP.

#### PREFERRED STOCK PURCHASE RIGHTS

At September 29, 1989, there were issued and outstanding 19,896,000 preferred stock purchase rights (one right for each outstanding common share). Each right entitles the holder to buy one one-hundredth of a share of the Company's Series A Junior Participating Preferred Stock for \$125. Of the 1,000,000 shares of authorized preferred stock, 280,000 shares have been designated as Series A Junior Participating Preferred Stock, to be issued upon exercise of the rights. Upon issuance, these preferred shares will have certain voting, dividend, and liquidation preferences over the common stock, as described in the Rights Agreement of August 25, 1986, as amended.

The rights are exercisable ten days after a person or group has acquired 15% or more of the Company's voting stock or the tenth day (or such later date as may be determined by the Board of Directors) after the date of the commencement or announcement of a person's or group's intention to commence a tender or exchange offer whose consummation will result in the ownership of 30% or more of the stock. If a person or group becomes the beneficial owner of 15% or more of the voting stock, each right would entitle the holder, other than the acquiring person or group, to buy shares of the Company's Series A Junior Participating Preferred Stock having a market value of \$250 for the exercise price of \$125. If the Company were to be merged into another entity, or merge with another entity and the common stock were changed into other securities or assets, each right would entitle the holder to purchase for the exercise price of \$125, common stock of the acquiring company equal to a market value of twice the exercise price, or \$250.

The rights expire on August 25, 1996 but may be redeemed by the Board of Directors of the Company for \$.05 per right at any time before they become exercisable.

#### RETIREMENT PLANS

The Company has several defined contribution retirement plans covering substantially all of its employees. Total pension expense amounted to \$18.3 million for fiscal 1989, \$15.0 million for fiscal 1988, and \$13.5 million for fiscal 1987. The major obligation is to contribute an amount based on a percentage of each participants' base pay. The Company also contributes 5% of its consolidated earnings from continuing operations before taxes, as adjusted for discretionary items, as retirement plan profit sharing. Participants are entitled, upon termination or retirement, to their vested portion of the retirement fund assets, which are held by a third-party trustee.

# TAXES ON EARNINGS

U.S. federal income tax returns for the years through 1980 have been settled with the Internal Revenue Service. It is believed that adequate provision has been made for all open years and unresolved issues. The detail of taxes (benefits) on earnings is as follows:

(Dollars in millions)	1989	1988	1987
<b>Current</b>			
U.S. federal	\$ 11.0	\$ 5.3	\$ (0.7)
Non-U.S.	7.9	10.0	6.0
State and local	4.3	1.7	1.3
<b>Total current</b>	<b>23.2</b>	<b>17.0</b>	<b>6.6</b>
<b>Deferred</b>			
U.S. federal	(4.1)	(0.3)	4.2
Non-U.S.	0.2	(1.1)	(0.3)
<b>Total deferred</b>	<b>(3.9)</b>	<b>(1.4)</b>	<b>3.9</b>
<b>Taxes on Earnings</b>	<b>\$ 19.3</b>	<b>\$ 15.6</b>	<b>\$ 10.5</b>

Deferred taxes on earnings result from timing differences between income reported in the financial statements and taxable income. The tax effects of these differences are as follows:

(Dollars in millions)	1989	1988	1987
Inventory adjustments	\$ (1.5)	\$ 3.4	\$ (1.9)
Changes in provisions for discontinued operations	(0.8)	(2.9)	4.4
Product warranty	(1.8)	(0.3)	0.8
Deferred income	(0.5)	0.3	(1.1)
Accelerated depreciation	2.8	5.9	2.1
Installment sales	-	(5.7)	0.6
Other	(2.1)	(2.1)	(1.0)
<b>Total Deferred</b>	<b>\$ (3.9)</b>	<b>\$ (1.4)</b>	<b>\$ 3.9</b>

# TAXES ON EARNINGS (continued)

The reconciliation between the effective tax rates and the statutory federal income tax rates is shown in the following schedule:

	1989	1988	1987
Statutory federal income tax rate	34.0 %	34.0 %	43.0 %
State and local taxes, net of federal tax benefit	5.6	2.5	2.4
Net investment tax credit recapture	0.4	0.7	2.4
Foreign income deemed permanently invested, net of foreign tax credits utilized and foreign taxes	2.1	0.6	(1.4)
FSC/DISC	(3.2)	1.7	(3.2)
Research and development tax credit	-	-	(12.4)
Capital gains	-	-	(2.8)
Inventory adjustment on discontinued operations	-	(2.3)	1.7
Charitable contributions	(0.6)	(0.9)	4.9
Other	(0.3)	(0.3)	(1.6)
Effective Tax Rate	35.0 %	36.0 %	33.0 %

Income taxes paid (refunded) on earnings are as follows:

(Dollars in millions)	1989	1988	1987
Federal income taxes paid	\$ 12.7	\$ 1.6	\$ 1.2
Federal income taxes refunded from prior years	(0.5)	(5.3)	(26.9)
State income taxes paid, net	5.0	1.3	0.5
Foreign income taxes paid, net	11.1	7.1	5.9
Total Paid (Refunded)	\$ 28.3	\$ 4.7	\$ (19.3)

The amounts refunded in 1989 and 1988 are the result of Net Operating Loss and General Business Tax Credit carrybacks from 1987 to 1984 and from 1986 to 1983 and 1984, respectively.

## LEASE COMMITMENTS

At fiscal year-end 1989, the Company was committed to the following minimum rentals under capital and noncancellable operating leases:

(Dollars in millions)

Fiscal Years	Capital Leases	Operating Leases	Total
1990	\$ 0.2	\$ 12.8	\$ 13.0
1991	0.1	10.0	10.1
1992	0.1	7.5	7.6
1993	0.1	5.2	5.3
1994	0.1	2.9	3.0
Thereafter	8.0	2.1	10.1
Total	\$ 8.6	\$ 40.5	\$ 49.1

Total minimum capital lease payments include \$7.7 million representing imputed interest necessary to reduce them to present value. Rental expense for fiscal 1989, 1988, and 1987 was \$34.3 million, \$35.0 million, and \$34.5 million, respectively.

#### OTHER MATTERS

During the year, claims were made against the Company by the California Department of Health Services for violations of the Hazardous Waste Control Act with respect to hazardous waste operations at the Walnut Creek, California site. There was no harm to employees or the environment. A settlement agreement was reached in July, 1989 with no admission of liability or violation of law. The agreement included civil penalties of \$625,000 and reimbursement of administrative and legal costs of \$100,000. The agreement also included a compliance schedule for completion of remedial actions within prescribed time limits up to 90 days from the date of the agreement. The remedial actions have been completed.

#### CONTINGENCIES

The Company is currently a defendant in a number of legal actions and could incur an uninsured liability in one or more of them. In the opinion of management, the outcome of such litigation will not have a material adverse effect on the financial condition of the Company.

The suspension of the Company's Continental Electronics Division from contracting with any agency of the Executive Branch of the Federal Government was terminated on January 20, 1989, under a settlement agreement with the Department of the Navy (See Exhibit 28).

On September 21, 1988, Rodney Shields, who purports to be a stockholder of the Company, filed a stockholder's derivative action in the Superior Court of the State of California, County of Santa Clara. The complaint alleges that the Company obtained certain defense contracts by illegal means and overcharged the government in connection with other defense contracts. Mr. Shields further alleged that certain named individuals, including 14 directors and 3 additional present or former officers of the Company, breached their fiduciary duties and violated various provisions of the California Business and Professions Code. On June 26, 1989, the court dismissed the complaint with leave to amend. Thereafter, Mr. Shields amended his complaint, and the Company has moved to dismiss the amended complaint. The motion to dismiss is pending.

In addition to the foregoing, in August 1989 the Company and a number of its employees received grand jury subpoenas in connection with a U.S. Department of Justice antitrust investigation of the power grid tube industry. This follows earlier civil investigative demands made to the Company and others in March 1989. The likely outcome of the inquiry or the effect thereof cannot be determined at this time.

The Company is involved in various stages of investigation and cleanup relative to environmental protection matters, some of which relate to past disposal practices. Some of these matters are being overseen by state or federal agencies. Management believes that the final disposition of these matters will not have a material adverse effect on the financial condition of the Company.

## BUSINESS SEGMENTS

The Company's four industry segments have been reclassified into two segments to better reflect the composition of product lines. The two segments have been defined: Electron Device and Systems Segment and the Equipment Segment. All prior year segment information has been restated to reflect the change in segments.

The Electron Device and Systems Segment includes a broad line of electron devices and systems used in broadcasting, communications, and other commercial and military applications. The Equipment Segment includes: analytical instruments widely used in the fields of chemistry, physics, biology, life sciences, and metallurgy; semiconductor equipment used for semiconductor wafer fabrication; and medical and industrial products including linear accelerators used for cancer therapy and industrial testing and inspection, as well as vacuum pumps and systems, gauges, and leak detectors used in a variety of industrial applications.

In order to more clearly reflect the results of operations and identifiable assets within industry segments, the LIFO adjustment, and certain expenses previously classified as corporate expenses, have been allocated to the industry segments. All prior year segment information has been restated to reflect these changes. Indirect and common costs have been allocated through the use of estimates. Accordingly, the information is provided for purposes of achieving an understanding of operations, but may not be indicative of the financial results of the reported segments were they independent organizations. In addition, comparisons of the Company's operations to similar operations of other companies may not be meaningful.

The Company operates various manufacturing and marketing operations outside the United States. Geographic segment information is based on the location of the operation furnishing goods and services. No single country outside the United States accounts for more than 10% of total sales or total assets. Sales between geographic areas are accounted for at cost plus prevailing markups arrived at through negotiations between independent profit centers. Related profits are eliminated in consolidation.

Included in the total of United States sales are export sales of \$228 million in fiscal 1989, \$182 million in fiscal 1988, and \$94 million in fiscal 1987. Sales under prime contracts from the U.S. Government were approximately \$122 million in fiscal 1989, \$142 million in fiscal 1988, and \$131 million in fiscal 1987.

# INDUSTRY SEGMENTS

	Sales			Pre-Tax Operating Earnings (Loss)			Identifiable Assets			Capital Expenditures			Depreciation		
(Dollars in millions)	1989	1988	1987	1989	1988	1987	1989	1988	1987	1989	1988	1987	1989	1988	1987
Electron Device and Systems	\$ 534	\$ 503	\$461	\$ 13	\$ 29	\$ 43	\$350	\$342	\$317	\$ 18	\$ 19	\$ 21	\$ 19	\$ 18	\$ 17
Equipment															
Analytical Instruments	227	227	189	19	20	19	121	116	101	6	7	6	5	5	4
Semiconductor Equipment	321	210	143	25	2	(32)	173	103	126	6	3	9	6	7	7
Medical & Industrial Products	268	242	199	27	20	17	122	125	104	8	7	6	4	4	3
Adjustments & Eliminations	(6)	(5)	(4)	-	-	-	-	-	-	-	-	-	-	-	-
Total Equipment	810	674	527	71	42	4	416	344	331	20	17	21	15	16	14
Adjustments & Eliminations	-	(6)	(5)	(3)	(4)	(1)	-	-	-	-	-	-	-	-	-
Total Industry Segments	1,344	1,171	983	81	67	46	766	686	648	38	36	42	34	34	31
General Corporate	-	-	-	(20)	(18)	(9)	165	170	182	11	7	4	7	6	6
Interest, Net	-	-	-	(10)	(6)	(5)	-	-	-	-	-	-	-	-	-
Total Company	\$1,344	\$1,171	\$983	\$ 51	\$ 43	\$ 32	\$931	\$856	\$830	\$ 49	\$ 43	\$ 46	\$ 41	\$ 40	\$ 37

1989 results include General Corporate charges for anticipated legal expenses of \$6.1 million in connection with an ongoing government investigation of the power grid tube industry.

1988 results include a gain in the Semiconductor Equipment Group on the sale of the Specialty Metals Division of \$15.0 million and restructuring charges of \$35.0 million. The restructuring charges are allocated as follows:

Analytical Instruments	\$ 2.9
Semiconductor Equipment	25.8
General Corporate	6.3
	<u>\$ 35.0</u>

1987 results for the Analytical Instrument Group include \$6.3 million for an advanced settlement of a royalty agreement, and results for the Electron Device and Systems Segment include a \$1.7 million gain on the sale of a small subsidiary.

GEODEMIC SEGMENTS

	Sales to Unaffiliated Customers			Intergeographic Sales to Affiliates			Sales			Pre-Tax Operating Earnings			Net Worthable Assets		
(Dollars in millions)	1989	1988	1987	1989	1988	1987	1989	1988	1987	1989	1988	1987	1989	1988	1987
United States	\$1,040	\$ 882	\$ 751	\$ 174	\$ 148	\$ 114	\$1,214	\$1,030	\$ 865	\$ 66	\$ 46	\$ 23	\$ 613	\$ 539	\$ 515
International	304	289	232	35	52	47	339	341	279	18	25	24	153	147	133
Adjustments & Eliminations	-	-	-	(209)	(200)	(161)	(209)	(200)	(161)	(3)	(4)	(1)	-	-	-
Total Geographic Segments	1,344	1,171	983	-	-	-	1,344	1,171	983	81	67	46	766	686	648
General Corporate	-	-	-	-	-	-	-	-	-	(20)	(18)	(9)	165	170	182
Interest, Net	-	-	-	-	-	-	-	-	-	(10)	(6)	(5)	-	-	-
Total Company	\$1,344	\$1,171	\$ 983	\$ -	\$ -	\$ -	\$1,344	\$1,171	\$ 983	\$ 51	\$ 43	\$ 37	\$ 931	\$ 856	\$ 830

1989 results include General Corporate charges for anticipated legal expenses of \$6.1 million in connection with an ongoing government investigation of the power grid tube industry.

1988 results include restructuring charges of \$35.0 million and the gain on the sale of the Specialty Metals Division of \$15.0 million.

1987 results include \$6.3 million for an advanced settlement of a royalty agreement, and a \$1.7 million gain on the sale of a small subsidiary.



# QUARTERLY FINANCIAL DATA (UNAUDITED)

(Dollars in millions except per share amounts)

	1989					1988				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
Sales	\$ 287.4	358.6	333.5	364.1	1,343.6	\$ 265.0	299.0	298.7	307.9	1,170.6
Gross Profit	\$ 88.7	101.0	98.0	94.2	381.9	\$ 78.4	91.7	91.5	99.3	360.9
Net Earnings (Loss)	\$ 9.4	12.0	9.1	1.0	31.5	\$ (17.6)	9.4	11.8	24.2	27.8
Net Earnings (Loss) Per Share - Fully Diluted	\$ 0.44	0.58	0.45	0.05	1.53	\$ (0.80)	0.43	0.54	1.10	1.27

## Notes:

Included in the fourth quarter 1989 results are charges for anticipated legal expenses of \$3.8 million, net of tax effects, in connection with an ongoing government investigation of the power grid tube industry.

Included in first quarter 1988 results are restructuring charges of \$22.8 million, net of tax effects.

Included in fourth quarter 1988 results is a gain of \$9.6 million, net of tax effects, from the sale of the Specialty Metals Division.

The four quarters for earnings (loss) per share may not add for the year because of the different number of shares outstanding during the year.

## COMMON STOCK PRICES (UNAUDITED)

	1989				1988			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Common Stock								
High	\$30 1/4	30 5/8	28 5/8	28 3/8	\$39	30 3/8	31	30 7/8
Low	\$25 1/2	25 3/4	23 1/2	23 1/2	\$18 1/4	22 1/2	25 3/4	25
Dividends Declared Per Share	\$.065	.065	.065	.065	\$.065	.065	.065	.065

WARLAN ASSOCIATES, INC. AND SUBSIDIARY COMPANIES  
 AMOUNTS RECEIVABLE FROM RELATED PARTIES AND UNDERWRITERS, PROMOTERS,  
 AND EMPLOYEES OTHER THAN RELATED PARTIES (1)  
 for the fiscal years ended 1989, 1988 and 1987  
 (Dollars in Thousands)

Name of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Balance at End of Period (2)	
				Current	Noncurrent
FISCAL YEAR ENDED 1987:					
L. L. Hansen	\$ 278	\$ -	\$ 41	\$ 41	\$ 196
R. A. Lemos	20	104	18	15	91
G. W. O'Dair	146	-	146	-	-
T. D. Sege	206	-	19	19	168
	<u>\$ 650</u>	<u>\$ 104</u>	<u>\$ 224</u>	<u>\$ 75</u>	<u>\$ 455</u>
FISCAL YEAR ENDED 1988:					
L. L. Hansen	\$ 237	\$ -	\$ 41	\$ 196	\$ -
R. A. Lemos	106	-	21	11	74
T. D. Sege	187	-	18	49	120
V. Battaglia	-	152	152	-	-
	<u>\$ 530</u>	<u>\$ 152</u>	<u>\$ 232</u>	<u>\$ 256</u>	<u>\$ 194</u>
FISCAL YEAR ENDED 1989:					
L. L. Hansen	\$ 196	\$ -	\$ 196	\$ -	\$ -
R. A. Lemos	85	-	11	11	63
T. D. Sege	169	-	49	120	-
	<u>\$ 450</u>	<u>\$ 0</u>	<u>\$ 256</u>	<u>\$ 131</u>	<u>\$ 63</u>

(1) As to column omitted the answer is "none".

(2) The amounts receivable are supported by notes with interest rates which range from 6.75% to 9.0% due in 1990 through 1992, with common stock of the Company pledged as collateral.

WELLS ASSOCIATES, INC. AND SUBSIDIARY COMPANIES  
PROPERTY, PLANT, AND EQUIPMENT (1)  
for the fiscal years ended 1989, 1988 and 1987  
(Dollars in Millions)

SCHEDULE V

Classification	Balance at Beginning of Period	Additions	Retirements	Other Changes (2)	Balance at End of Period
FISCAL YEAR ENDED 1987:					
Land and land leaseholds	\$ 13.9	\$ 0.9	\$ (0.8)	\$ -	\$ 14.0
Buildings	147.9	9.5	(4.5)	2.5	155.4
Machinery and equipment	244.4	32.3	(8.8)	3.0	270.9
Construction in progress	22.8	3.5	-	(8.0)	18.3
Total	<u>\$ 429.0</u>	<u>\$ 46.2</u>	<u>\$ (14.1)</u>	<u>\$ (2.5)</u>	<u>\$ 458.6</u>
FISCAL YEAR ENDED 1988:					
Land and land leaseholds	\$ 14.0	\$ 0.3	\$ (0.2)	\$ -	\$ 14.1
Buildings	155.4	8.3	(4.6)	(0.4)	158.7
Machinery and equipment	270.9	36.1	(21.8)	(0.1)	285.1
Construction in progress	18.3	3.5	-	(7.1)	14.7
Total	<u>\$ 458.6</u>	<u>\$ 48.2</u>	<u>\$ (26.6)</u>	<u>\$ (7.6)</u>	<u>\$ 472.6</u>
FISCAL YEAR ENDED 1989:					
Land and land leaseholds	\$ 14.1	\$ 0.2	\$ -	\$ -	\$ 14.3
Buildings	158.7	15.8	(1.0)	(1.2)	172.3
Machinery and equipment	285.1	27.1	(15.3)	4.3	301.2
Construction in progress	14.7	6.3	-	2.4	23.4
Total	<u>\$ 472.6</u>	<u>\$ 49.4</u>	<u>\$ (16.3)</u>	<u>\$ 5.5</u>	<u>\$ 511.2</u>

(1) See accompanying notes to the consolidated financial statements.

(2) Capitalization of construction in progress, acquisitions and sales of businesses, and reserves for discontinued operations.

REF162

WILLIAM ASSOCIATES, INC. AND SUBSIDIARY COMPANIES  
ACCUMULATED DEPRECIATION, DEPLETION AND AMORTIZATION OF  
PROPERTY, PLANT, AND EQUIPMENT (1)  
for the fiscal years ended 1989, 1988 and 1987  
(Dollars in Millions)

SCHEDULE VI

Description	Balance at Beginning of Period	Additions	Retirements	Other Changes (2)	Balance at End of Period
<b>FISCAL YEAR ENDED 1987:</b>					
Land and land leaseholds	\$ 1.6	\$ 0.3	\$ -	\$ -	\$ 1.9
Buildings	48.5	7.3	-	(1.8)	54.0
Machinery and equipment	124.6	29.8	(6.2)	(1.2)	147.0
Total	<u>\$ 174.7</u>	<u>\$ 37.4</u>	<u>\$ (6.2)</u>	<u>\$ (3.0)</u>	<u>\$ 202.9</u>
<b>FISCAL YEAR ENDED 1988:</b>					
Land and land leaseholds	\$ 1.9	\$ 0.4	\$ -	\$ -	\$ 2.3
Buildings	54.0	8.0	(1.4)	0.9	61.5
Machinery and equipment	147.0	32.6	(13.9)	1.4	167.1
Total	<u>\$ 202.9</u>	<u>\$ 41.0</u>	<u>\$ (15.3)</u>	<u>\$ 2.3</u>	<u>\$ 230.9</u>
<b>FISCAL YEAR ENDED 1989:</b>					
Land and land leaseholds	\$ 2.3	\$ 0.4	\$ -	\$ -	\$ 2.7
Buildings	61.5	8.3	(0.7)	(1.3)	67.8
Machinery and equipment	167.1	32.0	(10.3)	(0.9)	187.9
Total	<u>\$ 230.9</u>	<u>\$ 40.7</u>	<u>\$ (11.0)</u>	<u>\$ (2.2)</u>	<u>\$ 258.4</u>

(1) See accompanying notes to the consolidated financial statements.

(2) Capitalization of construction in progress, acquisitions and sales of businesses, and reserves for discontinued operations.

WRLAH ASSOCIATES, INC. AND SUBSIDIARY COMPANIES  
VALUATION AND QUALIFYING ACCOUNTS (1)  
for the fiscal years ended 1989, 1988, and 1987  
(Dollars in Thousands)

SCHEDULE VIII

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions		Balance at End of Period
			Description	Amount	
ALLOWANCE FOR DOUBTFUL NOTES & ACCOUNTS RECEIVABLE:					
Fiscal Year Ended 1987	\$ 2,648	\$ 626	Write-offs	\$ (1,486)	\$ 1,788
Fiscal Year Ended 1988	\$ 1,788	\$ 760	Write-offs & Adjustments	\$ (511)	\$ 2,037
Fiscal Year Ended 1989	\$ 2,037	\$ 433	Write-offs & Adjustments	\$ (759)	\$ 1,711
ESTIMATED LIABILITY FOR PRODUCT WARRANTY:					
Fiscal Year Ended 1987	\$ 24,088	\$ 30,063	Actual Warranty Expenditures	\$ (30,486)	\$ 23,586
Fiscal Year Ended 1988	\$ 23,586	\$ 30,199	Actual Warranty Expenditures	\$ (29,684)	\$ 24,101
Fiscal Year Ended 1989	\$ 24,101	\$ 38,156	Actual Warranty Expenditures	\$ (32,347)	\$ 29,910

(1) As to column omitted the answer is "none".

WIRIAN ASSOCIATES, INC. AND SUBSIDIARY COMPANIES

Schedule IX

SHORT-TERM BORROWINGS

for the fiscal years ended 1989, 1988 and 1987

(Dollars in Millions)

Category of Aggregate Short-Term Borrowings	Balance at End of Period	Weighted Average Interest Rate	Maximum Amount Outstanding During Period	Average Amt. Outstanding During Period (2)	Weighted Average Interest Rate During Period (3)
--	--------------------------------	---	---	---	---

Amounts payable to Banks,  
Factors, and Other  
Financial Institutions  
for Borrowings (1):

Fiscal Year End 1987	\$48.8	9.2%	\$48.8	\$25.9	9.8%
Fiscal Year End 1988	\$14.2	12.5%	\$61.8	\$43.0	9.5%
Fiscal Year End 1989	\$53.7	9.4%	\$91.6	\$59.6	10.3%

(1) At fiscal year end 1989, 1988, and 1987, the Company had total unused committed lines of credit amounting to \$170 million, \$100 million, and \$102 million, respectively. Total borrowing is subject to limitations included in long-term debt agreements. No compensating balances were maintained in 1989, 1988, or 1987 under credit agreements in effect during these years.

(2) Average amounts outstanding based on balances at the end of each of the 12 months in the fiscal year.

(3) Weighted average interest rates based on the balance and applicable interest rate for each amount payable at the end of each of the 12 months in the fiscal year.

SCHEDULE X

VARIAN ASSOCIATES, INC. AND SUBSIDIARY COMPANIES  
 SUPPLEMENTARY INCOME STATEMENT INFORMATION  
 for the fiscal years ended 1989, 1988, and 1987  
 (Dollars in thousands)

<u>Item</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
Maintenance and repairs	\$34,713	\$31,578	\$28,212
Depreciation expense	\$40,656	\$40,424	\$37,275
Advertising costs	\$11,260	\$11,186	\$9,634

Amounts for amortization of intangible assets and other deferrals, taxes other than payroll and income taxes and royalties are not presented as such amounts are less than 1% of total sales.



## INDEX OF EXHIBITS

Exhibit  
Number

Location

3-a	Registrant's Restated Certificate of Incorporation, dated June 26, 1987: Exhibit incorporated by reference to registrant's Form 10-K for the year ended October 2, 1987, filed December 22, 1987.	
3-b	Registrant's Bylaws, dated October 20, 1989: Exhibit incorporated by reference to registrant's Form 8-K filed December 1, 1989.	
3-c	Registrant's Specimen Stock Certificate: Exhibit incorporated by reference to registrant's Form 8-K for the month of February, 1977, filed March 4, 1977.	
4	Registrant's Preferred Stock Purchase Rights dated August 26, 1986: Exhibit incorporated by reference to registrant's Form 8-A dated August 26, 1986, filed September 2, 1986, and amended by amendment no. 1 dated July 7, 1989.	
11	Computation of Earnings Per Share .....	Page 47
22	Subsidiaries of the Registrant .....	Page 48
24	Consent of Independent Accountants .....	Page 49
28	Agreement between Varian Associates, Inc. and the Department of Defense concerning termination of suspension of Continental Electronics, a division of Varian, and establishment of a continuing surveillance program.....	Page 50

WRLAM ASSOCIATES, INC. AND SUBSIDIARY COMPANIES  
COMPUTATION OF EARNINGS PER SHARE IN ACCORDANCE  
WITH INTERPRETIVE RELEASE NO. 34-9083

EXHIBIT 11

(Shares in Thousands)	1989	1988	1987
Actual weighted average shares outstanding for the period	20,623.0	21,881.0	21,663.4
Dilutive employee stock options using average market price	36.0	41.0	93.0
Total shares based on shares outstanding and the assumption that all stock options will be exercised at average stock market price	20,659.0	21,922.0	21,756.4
Additional dilutive employee stock options using ending market price	-	14.0	78.0
Total shares based on shares outstanding and the assumption that all stock options will be exercised at ending market price	20,659.0	21,936.0	21,834.4
(Dollars in millions, except per share amounts)			
Earnings from continuing operations	\$ 31.5	\$ 27.8	\$ 21.4
Net earnings applicable to fully diluted earnings per share	\$ 31.5	\$ 27.8	\$ 21.4
Earnings per share based on SEC interpretive release No. 34-9083:			
Earnings from continuing operations	\$ 1.53	\$ 1.27	\$ 0.98
Fully diluted net earnings per share	\$ 1.53	\$ 1.27	\$ 0.98

VARIAN ASSOCIATES, INC.  
SUBSIDIARIES OF THE REGISTRANT

Exhibit 22

	Fiscal 1989	
	Organized Under Laws of	Percentage of Voting Securities Owned
Varian Associates, Inc. (Registrant)		
Subsidiaries:		
Analytichem International, Inc.	California	100%
Varian Associates Limited	California	100%
Varian Export Corporation	California	100%
Varian Investment Corporation	California	100%
Varian Realty, Inc.	California	100%
Varian China, Ltd.	Delaware	100%
Varian Instruments, Ltd.	Delaware	100%
Varian Microwave Equipment, Ltd.	Delaware	100%
Varian Pacific, Inc.	Delaware	100%
Varian Instruments of Puerto Rico, Inc.	Delaware	100%
Varian Semiconductor Eqpt. Co., Inc.	Delaware	100%
Varian B.K., Ltd.	Delaware	100%
Massfield Insurance Company	Vermont	100%
Varian Australia Pty., Ltd.	Australia	100%
Varian Pty., Ltd.	Australia	100%
Varian Techtron Pty., Ltd.	Australia	100%
Varian GmbH	Austria	100%
N.V. Varian Benelux S.A.	Belgium	100%
Varian Industria e Comercio Ltd.	Brazil	100%
Varian Canada, Inc.	Canada	100%
Varian Electronics ApS	Denmark	100%
Varian SA	France	100%
Varian GmbH	West Germany	100%
Varian SpA	Italy	100%
Varian S.A.	Mexico	100%
Varian AB	Sweden	100%
Varian AG	Switzerland	100%
Varian International AG	Switzerland	100%
Varian Taiwan, Ltd.	Taiwan, Republic of China	100%
Varian Benelux B.V.	The Netherlands	100%
Varian FSC B.V.	The Netherlands	100%
Varian - TEM Limited	United Kingdom	100%
Varian TVT Limited	United Kingdom	100%

Affiliates (not consolidated, included at equity):

Varian - Korea, Ltd.	South Korea	61%
Tel-Varian, Ltd.	Japan	50%
Spectroscopy Imaging Systems Corp.	Delaware	50%
Varian - TEL, Ltd.	Delaware	50%
Varian Supply Co. (VASC0)	California	50%

All of the above subsidiaries are included in Varian's consolidated financial statements. The names of certain consolidated subsidiaries have been omitted because, considered in the aggregate as a single subsidiary, they would not constitute a significant subsidiary.

Coopers  
& Lybrand

certified public accountants

Exhibit 24

**CONSENT OF INDEPENDENT ACCOUNTANTS**

We consent to the incorporation by reference in the Prospectuses constituting part of the Registration Statements of Varian Associates, Inc. on Forms S-8 (Nos. 2-81702, 2-73721, 2-63510 and 2-50061) of our report dated October 20, 1989, on our audits of the consolidated financial statements and the financial statement schedules of Varian Associates, Inc. as of September 29, 1989 and September 30, 1988 and for each of the three fiscal years in the period ended September 29, 1989, which report is included in this Annual Report on Form 10-K.

*Coopers & Lybrand*

COOPERS & LYBRAND

San Jose, California  
December 15, 1989

AGREEMENT BETWEEN VARIAN ASSOCIATES, INC.  
AND THE DEPARTMENT OF DEFENSE  
CONCERNING TERMINATION OF SUSPENSION OF  
CONTINENTAL ELECTRONICS, A DIVISION OF VARIAN,  
AND ESTABLISHMENT OF A CONTINUING SURVEILLANCE PROGRAM

1. On July 6, 1988, the Department of the Navy (Navy) suspended Varian Continental Electronics, a division of Varian Associates, Inc. (Varian), from contracting with any agency in the executive branch of the Federal Government. This action was based upon certain evidence, in the form of a publicly-released affidavit in support of a search warrant, that convinced the Navy Debarring Official that adequate evidence existed of irregularities of a serious nature relating to government contracting, involving Mr. Joe Bradley, Vice President of Marketing for Varian Continental. In addition, the Navy letter of July 6, 1988, offered Varian Associates, Inc. the opportunity to demonstrate its present responsibility as a government contractor.

2. The policy set out in the Federal Acquisition Regulation (FAR) is that suspension and debarment actions are discretionary, to be imposed for the Government's protection, not for purposes of punishment.

3. The Navy and Varian have had extensive discussions about Varian corporate and division policies and practices. As part of these discussions, Varian and the Navy have confirmed actions already taken by Varian and have identified further actions to be taken by Varian.

4. Varian has already:

- (a) taken the actions described in Annex I, designed to assure its integrity as a government contractor,
- (b) advised the Navy, in a presentation made pursuant to FAR 9.407-3, of the facts and circumstances known to it surrounding the conduct of Mr. Bradley and taken appropriate corrective actions, including employee discipline, based on the results of its inquiry.

5. Varian will:

- (a) complete the actions described in Annex II on or before the dates shown on Annex II in a manner satisfactory to the Assistant Secretary of the Navy (Shipbuilding and Logistics);
- (b) report monthly to the Assistant Secretary of the Navy (Shipbuilding and Logistics) on action under (a);
- (c) maintain in all material respects, for a period of five years, the actions and procedures described in Annex I and Annex II;
- (d) ensure that Varian's performance under this Agreement is monitored by a Committee on Audit and Compliance of the Varian Board of Directors;
- (e) during the five-year term of this Agreement, provide access to the following classes of documents to the Department of Defense (including administrative contracting officers and DCAA auditors): all (1) internal audit reports; and (2) independent audit reports;
- (f) provide to the Department of Defense, including but not limited to the ACOs and DCAA auditors, access to all Varian records necessary to assure that Varian has performed each and every term of this Agreement to be performed by Varian;
- (g) cooperate fully with any investigation by the Department of Justice (including the Federal Bureau of Investigation) or the Department of Defense (including its investigative agencies) of which Varian knows or learns in the future, but without waiver of rights and defenses which the company by law is entitled to assert;
- (h) upon indictment of any officer, employee or consultant of Varian for violation of any Federal criminal statutes, for conduct in connection with the individual's performance of duties for or on behalf of Varian, immediately remove the indicted officer, employee or consultant from active status with the Corporation;

- (i) upon conviction of Varian for violation of any Federal criminal statute, take appropriate disciplinary action against all responsible individuals; and
- (j) Upon unappealed conviction, or after an unsuccessful appeal, of any officer, employee or consultant for violation of any Federal criminal statute for conduct in connection with the individual's performance of duties for or on behalf of Varian, take prompt action to terminate such officer, employee or consultant.

6. Varian agrees to report instances of misconduct involving suspected violations of federal laws relating to procurement to the Department of Defense Inspector General within fifteen days after it becomes aware of such misconduct. The misconduct to be reported includes misconduct by any person, including but not limited to, those associated with Varian or with the Government. On a semi-annual basis, Varian shall provide the Navy with a list identifying all instances of misconduct reported during the preceding six months. Negative reports are required. Varian agrees that any reports of misconduct that come to its attention immediately will be investigated and followed, as appropriate or necessary, by corrective action and notice to the Government of any potential or actual impact on any aspects of Varian's Government business. Nothing herein shall be construed as prejudicing Varian's status under the DOD Voluntary Disclosure Program, should Varian otherwise qualify for such program.

7(a) During the term of this Agreement, Varian shall not knowingly employ, with or without pay, an individual who is listed by a Federal Agency as debarred, suspended, or otherwise ineligible for Federal programs. Reasonable inquiry, consistent with applicable laws, will be made into the status of any potential employee or consultant. Such reasonable inquiry will include, at a minimum, review of the General Services Administration's Lists of Parties Excluded from Federal Procurement or Nonprocurement Programs. Notwithstanding the provisions of this paragraph, Varian is not required to terminate the employment of individuals who become suspended or debarred during their employment with Varian, except as provided in 5(j) above. Varian, however, shall remove such employees from responsibility for or involvement with Government matters until the resolution of such suspension or debarment.

(b) During the term of this Agreement, Varian shall not knowingly enter into any contract or other business relationship relating to Federal contracts with any individual or business entity that is listed by a Federal Agency as debarred, suspended,

or otherwise ineligible for Federal programs. Reasonable inquiry will be made into the status of any such entity. Such reasonable inquiry will include, at a minimum, review of the General Services Administration's Lists of Parties Excluded from Federal Procurement or Non-Procurement Programs. Notwithstanding the provisions of this paragraph, Varian may enter into such a business relationship if the President of Varian first determines in writing that a compelling reason justifies the relationship and Varian has furnished a copy of the determination to the Navy, providing that so doing does not violate the current provisions of the Federal Acquisition Regulation or any subsequent modification to the Federal Acquisition Regulation made during the term of this Agreement.

8. Varian agrees that costs described below shall be unallowable for government contract purposes and shall not be charged directly or indirectly to any government contract or subcontract:

- (a) the non-recurring costs of performing the actions listed in Annex I and Annex II accomplished by Varian subsequent to June 14, 1938.
- (b) all costs of legal services (whether performed by in-house or private counsel), administrative and clerical services, services of accountants and consultants, salaries and wages of employees, officers and directors, travel, and any directly related costs incurred in connection with the suspension of Varian and the presentations, written and oral, to the Navy in connection with the suspension.
- (c) any costs paid pursuant to paragraphs 9 and 10.

Varian shall within 90 days of the date of the last signature on this agreement, adjust any billings already submitted to eliminate any such costs.

9. Within 30 days of the date of the last signature to this agreement, Varian will deposit \$250,000 in a separate escrow account with the Bank of America. The funds in this account are to be available solely to pay, at the direction of the Assistant Secretary of the Navy (Shipbuilding & Logistics), liabilities of Varian to the United States, if any, which are established by final judgment of a court of competent jurisdiction or by agreement between Varian and the United States, relating to evidence developed as the result of the "ILL WIND" investigation, including information provided by Varian as a part of the suspension action.



The Assistant Secretary of the Navy (Shipbuilding and Logistics) and Varian shall review the status of this account annually beginning in January 1990 to determine whether the funds in the account are adequate or any of the funds in the account may be returned to Varian. Interest earned on the funds in the account will be paid to Varian annually on the anniversary date of the deposit. Any funds remaining in the account (including principal and interest) after resolution of such liabilities, if any, shall be returned to Varian. Varian shall be obligated to pay any additional amounts so determined to be due and owing to the United States for which funds in the account are not sufficient.

10. Within thirty (30) days of the last signature to the Agreement, the Navy will advise the Company of the costs which the Navy has incurred to date, the amount of costs which it will incur, if any, related to the investigation of Varian as a part of Operation "ILL WIND", and the costs to the Navy related to resolving the suspension (hereinafter collectively "Navy Costs"), the Company will remit this amount to the Government as and for a final payment of such Navy Costs. This settlement in no way is intended to cover investigative costs of the DOJ or any other Federal agency, or the cost of any future suspension or debarment.

11. In recognition of the actions set forth herein, and notwithstanding the on-going Department of Justice investigation, the Navy, on behalf of the Department of Defense, agrees that it will terminate the current suspension of Varian Continental Electronics and will not suspend or debar Varian or any of its divisions based upon the employee conduct and related facts and circumstances set forth in the report described in paragraph 4(b). Consistent with this agreement, Varian will not be suspended or debarred in the event of an indictment or conviction based on employee conduct which does not materially differ from that already reported, as long as the Assistant Secretary of the Navy (Shipbuilding and Logistics) determines that Varian has taken appropriate corrective action to ensure that such conduct will not be repeated.

12. Failure by Varian to meet any of the conditions of this Agreement or to perform any of the actions identified in the Annexes, not cured to the reasonable satisfaction of the Assistant Secretary of the Navy (Shipbuilding & Logistics) within fifteen days after written notice of such failure, will constitute an independent cause for institution of suspension or debarment proceedings pursuant to the Federal Acquisition Regulation, subject to any rights Varian might have under those regulations and applicable law.

13. The execution of this Agreement by the Navy in no way waives any criminal, civil or contractual remedy or right to seek other costs not covered by this Agreement the Government may have for the acts set forth in the company's presentation described in paragraph 4(b) or for any other conduct that would give rise to such remedies.

14. This Agreement is a public document and may be distributed by the Navy throughout the executive branch of the Government, as appropriate, and to other interested persons upon request.

15. This Agreement constitutes the entire Agreement between the parties and supersedes all prior Agreements and understandings, oral or written, with respect to the subject matter hereof. This Agreement shall inure to the benefit of, and be binding upon, the parties and their respective successors and assigns.

16. This Agreement shall become effective on the date of the last signature hereto and shall, except for the escrow account, continue thereafter for a period of five years. The escrow account shall terminate as provided in paragraph 9.

VARIAN ASSOCIATES, INC.

Robert N. Boyd

Jan. 18, 1989  
(Date)

DEPARTMENT OF DEFENSE

Everett P. Jones

20 Jan. 1989  
(Date)

## ANNEX I

Actions taken by Varian to assure its integrity as a government contractor:

1. Established in 1986 and operated continuously through 1988, a standing Executive Overview Committee ("EOC") comprised of the Company's Chairman of the Board of Directors and Chief Executive officer; President and Chief Operations Officer; Vice President and President, Electron Device and Systems Group; Vice President, Finance; and Vice President and General Counsel, to monitor, review and oversee the Company's Government contract compliance activities. Among its other responsibilities, the EOC receives reports from the Company's management, Legal Department, and Controller regarding conduct reported by employees, action taken as to such reports and responses made to reporting employees. The EOC reports annually, or more frequently as necessary, to the Audit Committee of the Company's Board of Directors with respect to Government contract compliance matters and status, including reports received from employees and action taken thereon.

2. Effective September 23, 1988, revised and reissued Company Practice 2001 "Engagement of Outside Professional Consultants" (drafts of which were provided to and reviewed with the Navy DIS Committee from July 19, 1988 through August 16, 1988), to provide for:

- 2.1 mandatory compliance;
- 2.2 corporate officer level authorization of all consulting arrangements;
- 2.3 completion of new:
  - o Authorization for Consultant form
  - o Professional Services Agreement
  - o Consultant Information Form
  - o Consultant Report of Contact with Government Employee;
- 2.4 compliance by all consultants with Varian's standards of conduct set forth in Company Policies and Practices as well as all applicable law;
- 2.5 mandatory review by Corporate Legal and/or Patents and Licensing Departments;
- 2.6 accurate statements of work on invoices and agreement of documentation as condition to payment;

- 2.7 prohibiting payment of any services or expenses suspected to be in violation of requirements of this practice; and
- 2.8 accounting functions to compare and verify all documentation, including completion of authorizations, contract and certificates, as a precondition to authorizing payment, and to maintain records of payment.
3. Effective September 23, 1986, issued revised Company Policy 0002 incorporating the modifications regarding application to consultants, and management approval of business conferences.
4. Implemented Varian Company Practices and Policies at Continental.
5. Through Arthur Andersen & Co., conducted a complete audit of the Continental Electronics Division to determine:
  - 5.1 compliance with CP 2001;
  - 5.2 identity of all consultants which were not retained in compliance with CP 2001;
  - 5.3 identity of any consultant arrangements requiring legal review;
  - 5.4 the nature of division practices and policies;
  - 5.5 the status of certain prior internal audit action items.
6. Legal Department review of all 28 consultants identified by Arthur Andersen as a result of its audit, and issuance of a summary report to the Navy verifying the legitimacy of activities performed under each of these consulting arrangements.
7. Sent letters of termination to all currently employed consultants of Continental which were not retained pursuant to the requirements of CP 2001, advising each of them that the consulting arrangement was being terminated to enable Varian to review the relationship, but not due to or as the result of any suspicions, indication or implication that any of these consultants are or were engaged in any improper, unethical or illegal conduct, and indicating further that consultants whose services were still required, would be re-retained pursuant to the provisions of the revised CP 2001.
8. Performed audits by the Company's Internal Audit Department of all government contract divisions, Central Research and Corporate operations regarding compliance with CP 2001 and CP 1000, including referral of certain consultant arrangements to Corporate Legal for further review.

9. Legal Department review of all marketing consultant arrangements referred by Internal Audit as a result of the government contract divisions' audits, and issuance of a summary report verifying the legitimacy of activities performed under each of these consulting arrangements.

10. Commenced the process of sending letters to all currently employed consultants of Varian's government contract divisions whose consulting arrangements were not initiated pursuant to the procedures specified in CP 2001, advising that all consultants from whom services continue to be required must be re-engaged pursuant to Varian's revised "Engagement of Outside Professional Consultants" Practice 2001, and pending such re-engagement, the previous consulting arrangement is terminated. The purpose of these notices is to enable Varian to proceed with implementing its revised consultant retention process, and not due to or as a result of any suspicion, indication or implication that any of these individuals or companies are or were involved in any improper, unethical or illegal activities.

11. Strengthened financial controls Company-wide with respect to payments to consultants and general controls of non-purchase order payments.

12. Disciplined all employees who have participated in any of the matters which were reported to the Navy on October 13, 1988.

13. Issuance to all employees and supervisory personnel of seven memoranda from 1986 through 1988, from the Chairman of the Board and Chief Executive Officer. These memoranda:

- o distributed Company Policy No. 0001 entitled "Legal and Ethical Conduct" (CP 0001), which reaffirmed the Company's commitment to ethical and legal conduct in all its activities, and the absolute necessity of compliance with the law, including Government regulations in performance of Government contracts;
- o stressed that infractions of Company policy, applicable laws, or recognized ethical business standards "will subject the employee to disciplinary action, which may include . . . suspension or dismissal;"
- o specified the responsibilities of the executive office, managers at all levels and the Company's General Counsel to implement Varian's policies and procedures and the obligation of all employees to comply with and strictly observe these policies and procedures; and

- o established a mechanism (enunciated in CP 0001 and 2100) requiring all employees to report, on a confidential basis and without fear of retribution for such reporting, any conduct involving the Company which is known to be illegal.

14. Issued to Varian's General Operating Committee a memorandum dated July 16, 1988 stressing the absolute necessity of compliance with Company Policies and Practices and distributed a draft "Certification of Compliance" document proposed to be executed by all management personnel.

15. Proceeded with efforts initiated in 1986 and continued through 1988 to strengthen the Company's time charging procedures and policies through:

- o issuance and distribution to all present managers and supervisory personnel involved in Government contract work, and all such new employees upon employment, the Company Controller's Manual Addendum, dated May 12, 1986, entitled "Time Card Preparation and Audit Procedure", or subsequent revision;
- o increased time card training;
- o the requirement that all time cards be prepared in ink; and
- o increased floor checks and audits of time card practices.

16. Continuous implementation, improvement and expansion from 1986 through 1988 of training programs, practices and procedures in the following subject areas:

1. Timecard Awareness
2. Government Procurement System Requirements
3. Production and Inventory Control
4. Buyer Training
5. Defense Priorities Allocation System
6. Government Property Management
7. Export Licensing
8. Transportation of Dangerous Goods
9. Small Business Requirements
10. Ethics Guidance and Information
11. Cost Principles
12. Intracompany Pricing

13. Ethics and You (Revised Version of Ethics Guidance and Information)
14. IR&D/B&P Awareness
15. Government Contract Compliance and Audit Training
16. How to Avoid Defective Pricing
17. Doing Business With the Government
18. Expense Reporting
19. Business Conference Guidelines
20. Refresher Course - Condensed Ethics, Cost Principles, Expense Reporting, and Business Conference Guidelines

17. Established in 1986 and expanded in 1988, a Corporate Government Business Accounting and Compliance Programs function with a dedicated manager appointed in 1988 reporting directly to the Corporate Controller. This expanded function incorporates the previous Government Pricing and Accounting Organization of the Company's Microwave Tube Division, which previously handled such matters.

18. Expanded and strengthened the Company's Government contract compliance efforts through improved systems of control, and increased employee awareness of the importance of compliance with Government contract rules and regulations. Accomplishment of these objectives involves:

18.1 Increasing in 1986 and continuous development through 1988 of the function and capability of the Company's Government Accounting Organization through:

- o assignment to the Corporate Controller, direct responsibility for Government contract accounting and compliance; and
- o assignment of Government contract audit responsibility to the Corporate Audit Department, including adding dedicated Government contract auditors;

18.2 Appointed an Affirmative Government Compliance Team comprised of the Corporate Controller, Manager of Internal Audit, Manager of Government Business Accounting, and Legal counsel, to undertake the initial review, organization and implementation of the above-described programs, continue their implementation, and report recommendations and progress to the EOC.

19. Implemented the following policies and procedures:

Action

Policies & Procedures

Issued new Marketing Practices  
Policy No. 0006

Issued new Employment of Former  
Government Employees Policy  
No. 0500

Issued new Management Certification  
Policy No. 0015 and began  
implementation

Issued new "Code of Conduct" booklet  
and initiated distribution

Expanded "Hot Line" process to include  
a help-line feature to promote and  
foster employee inquiries

20. Communications

20.1 Sanctions & Compliance  
Communication Program

20.1.1 Company President's letter to  
all Group Presidents

20.1.2 CEO and President's letter to  
managers and supervisors



## ANNEX II

Actions to be taken or continued (as indicated) by Varian to assure its integrity as a government contractor.

1. Internal ethics control report to be submitted to ASN (S&L) monthly which will include:

- 1.1 Status of defective pricing cases.
- 1.2 Notification of any external investigation relating to government procurement of which the company is aware.
- 1.3 Notification of any Qui Tam suit relating to government contracts of which the company is aware.
- 1.4 Instances of disciplinary action for violations of standards of conduct. To be reported generically by type of violation accompanied by a statement regarding the level of discipline.
- 1.5 Standards of conduct/ethics awareness training conducted and number of people who participated at Defense Divisions.
- 1.6 Number of Hotline calls relating to government contracts and disposition of each call.

### 2. Continental Electronics Division Compliance

2.1 Completion of all mandatory and supplemental company training programs involving compliance and ethics as follows:

- |  |                              |
|--|------------------------------|
| 2.1.1 All employees: four part mini-module (Business Conduct, Cost Principles, Expense Reports and Ethics) | Completed by<br>January 1989 |
| 2.1.2 All employees:<br>Time Card Module   | January 1989                 |

### 3. Training

#### 3.1 Marketing Practices Course (training pursuant to new CP0006 Marketing Practices Policy)

3.1.1 Course materials and content preparation January 1989

3.1.2 Implementation of training for:

- o CED Marketing Modules January 1989
- o Other EDSG Divisions: Marketing Modules March 1989
- o Commercial Divisions: all Modules Ongoing

### 4. Audits

4.1 Compliance with CP 2001 "Engagement of Outside Professional Consultants" by Commercial (non-government) divisions

March 1990

4.2 Internal Audit "Government Compliance Reviews"

4.2.1 Beverly Microwave Div.

4.2.2 Microwave Tube Div.

4.2.3 Continental Electronics Division

4.2.4 Solid State Microwave Div.

For these four divisions:  
ongoing through  
December 31, 1989

4.3 Internal Audit Cost Principles review of EDSG Sales Offices

December 31, 1989

4.4 Internal Audit Control Review Western Data Systems EDP Audit of Continental

December 31, 1989

4.5 Internal Audit Company-wide of marketing activities and procedures to review implementation of Company Policies and Procedures (CP's numbers 0001, 0002, 0003, 0005, 0006, 0350, 4900, 4901 and 4902).

Ongoing through  
December 31, 1989

- 4.6 In addition to previously completed audits of specific policies, additional internal audits of CED to confirm implementation of Company Policies and Procedures required under Management Certification (CP0015)

March 1989

5. Ethics Awareness Program

- 5.1 Executive workshop program January, 1989
- 5.2 Extend ethics awareness program to management levels Commencing January 1989

6. Varian will provide to the Navy documentation concerning intracompany transfers, to include:

- 6.1 Corporate audit follow-up reviews of divisions that had either not implemented company practices on intracompany transfers, or had only partially or inconsistently implemented these company practices.
- 6.2 Arthur Andersen and Company review of intracompany transfers from Simicon
- 6.3 Status of new procedure on intracompany transfers and plans for auditing implementation of new procedure.

7. Completed Actions from Annex I which are to be continued in addition to other ongoing actions set forth in this Annex II

- 7.1 Operation of the Executive Overview Committee
- 7.2 Company Policies (subject to appropriate revisions, reissuance or other improvements)
- 7.3 Periodic compliance audits by Varian's Internal Audit Department and independent auditors as designated in the annual audit plan and as included in the Controller's check list (quarterly) and the Internal Control Questionnaire (annual)
- 7.4 Ongoing and periodic training programs

7.5 The Corporate Business Accounting and Compliance  
Program function

7.6 Operation of the Affirmative Government Compliance Team

8. The Chairman/CEO of Varian will meet with the ASN (S&L)  
quarterly to discuss the implementation of the terms of the  
Agreement.

4/5/90 no more due 5/2  
Princeton Electronics / National Electronics

Vanessa La Grasse, Inc (National Electronics)  
611 Hansen Way

find out if any employees

alumn. bughizer  
suegar seed  
chromium doctord  
chromium nitrat  
used (unfer)  
cadmium oxide  
your chloride upend  
suppose upend  
potassium nitrat  
methyl alcohol  
potassium nitrat  
potassium nitrat  
potassium nitrat

White Wire Rope Co., Racine - R. Kohler, Maintenance:  
Do not make copperas any more. They dispose of their pickle liquor to the  
Sanitary District. The copperas producing machinery is idle in their plant  
this time.

P - Interlake Steel, Riverdale - Jerry Hardacre:  
Hardacre says they have nothing of interest for us for the moment. The relation-  
ship continues cordial.

P - Northshore Sanitary - Bill Koepsal:  
The half and half ferrous ferric chloride is working poorly at North Chicago and  
badly at Waukegan. He says he has to have the ferric salt the Gary situation should  
ease by the end of this week however and a tank truck will be rushed up all speed  
possible.

P - Rockford Sanitary District - Richard Eich:  
The Rockford Sanitary District will not entertain the thought of receiving and  
storing and accumulating chemicals for us for shipment from their premises to  
Kansas City or Gary. No other news.

P - Stewart Warner, Chicago - Gothelf:  
There has been a big shake up, the environmental committee is dissolved, and the  
pollution problem has been turned over to a new man Dick Johnson, will Horn please  
contact him, out for the day.

P - Zenith Radio - Phil Bolander:  
They are contemplating an electronic parts cleaning set up using freon TMC which  
will be reclaimed by distilling, leaving a mud that they wish disposed of. He  
claims he will generate 3200 lbs. per day of sludge comprising 40 to 60% slate  
flour 35% styrene polymers approximately 1% tertiary butyl benzoate. He wants  
to know what we will charge to dispose of this for him. He can get us representa-  
tive samples, presumably from somebody else's rig, if we want them. Will speak  
to Art Davis about this.

Call - Spent the day with N. B. Hjersted and Davis at Gary covering business in  
conference.

P - Southbend Sanitary District - Jeter, Chemist:  
Their new plant built by Solitt is not working! So they are using no chemicals,  
have backed off to let the Solitt engineers make the place work or else. No  
business for us until they get through this phase.

November 15, 1974

P - Elkhart Sanitary District - Mr. Lingard:  
His problem of too much sludge for the capacity of the plant continues. They are  
trying different strategies but no chemicals because he says chemicals would only  
increase the amount of sludge. Again he dodges the question of what is the per cent  
solids in the sludge, which in my opinion is essential to correct thinking in the  
entire matter.

November 18, 1974

P - National Lock Co., Rockford, Ill. - Dick Nordberg:  
Was unable to reach Bennett the chemist. Nordberg, Purchasing, gave me a rough  
two minute phone visit to say that I would have to sharpen my pencil before they

(5)

CCCI records  
Box 1102 Carlton 514  
Gary Sals Info

P - Barber Coleman Co., Rockford

A. H. Guernsey,  
Purchasing

Only outbound chemical of consequence is 2,000 gallons a month of mixed oils including lub oils, cutting oils, and probably hydraulic oils. Never the less he would like our brochure. Will Kansas City please send to [REDACTED]  
[REDACTED]

P - Admiral Radio, Harvard, Ill.

Attempted to phone Orland Turrif but he was per usual not available. The phone service in this place is terrible. Will phone from Lake Loff later.

November 22, 1974

Northshore Sanitary District -

Bill Koepsal

The second tank wagon of ferric chloride from Conservation is delivered, they are resting easier with us. Bids for the 1975 ferric chloride and lime requirements will be mailed out shortly, we helped Koepsal on his rewording to include 26% ferric chloride.

P - EPA, Springfield, Ill.

W. Child

Child returned my phone call to say that he had been unable to obtain any policy clarification regarding liquid chemical disposal in land fills. Nevertheless they were sending us what data they had available in regard to Pagel's pit. We will have to see what they finally show up with.

Child also suggests that the only way I can assemble the picture of "what is happening" is to come to Springfield and talk to the people. He volunteers to arrange appointments for me and introductions with several important people involved including his boss, etc. (N.B. Hjersted vetos this to my regret. I believe that this is the only way that we will find out what the thinking is. Whether the thinking stays put after our investigation of it is of course a matter of speculation).

November 25, 1974

Phone Conference with Art Davis:

Trent Tube - Art suggests I call here, East Troy, Wis. to check this situation in view of receipt of an inquiry from Trent Tube for prices on substantial quantities of a pickle liquor or neutralized sludge from same. This account has to now been handled through Hydrite Chemical.

Samples of Pickle Liquor not yet received from Northwest Steel & Wire - Horn phoned Northwest to find they have not been sent, are still coming when available.

End of conference with Art Davis.

P - Corey Steel

Perkins

The machinery to produce copperas and rejuvenate his pickle liquor is out of commission. He has some 6,000 gallons a week of pickle liquor available and will receive a quotation from us on this. I asked for a sample which he says will be available in a week or so. They are rebuilding their acid tanks. Horn will pick up this sample and rush it to Gary for this is a clean pickle liquor, sulphuric. It would be of use to us in several directions. Perkins says it will be a year or more before they get the new parts for their centrifuge for their rejuvenating

Trip to Rockford

Call - National Lock

Dick Nordberg, Purchasing

He has a quote from AAA, a local outfit to leave 2400 gallon portable tanks on the premises to be loaded at Nordbergs pleasure, and to be picked up via cables and wench, etc., by a special truck and carted away. AAA speaks of six land fills that are authorized to receive chemical wastes.

The other hard fact is that National Lock is going through paroxysm of retrenchment. They are selling all surplus stocks, including their tool steels. So Nordberg says it is just not in the cards for them to spend any more money on vendor services than they have in the past. They have not utilized AAA's service yet. He tacidly admits that cyanides from National Lock are through Kullberg scattered in the Byron area and they are concerned that they may be legally implicated before we are done with the Byron Salvage situation.

They have some lube oils and cutting oils that are hauled away for a fee, approximately 1500 gallons a month he says which sounds low. They also have twenty drums a month of paint and solvent cruds.

Call - Greenlee Brothers, Rockford, Ill.

E. Hogan, Purchasing

They have their own homemade rig to precipitate the oils out of their cutting oil emulsions so that they can dump the water into the sewer and reclaim the oils. These are mixed with such lub oil slops as they generate, taken away by a salvage outfit for a fee, 1,000 gallons a month. This is one of the large machine tool manufacturing outfits in town.

P - Rockford Sanitary District

Dick Eich

Eich was in conference with consultants and equipment manufacturers in regard to expansion of the Sanitary District facilities. He would be tied up all day. He said he has no knowledge whatsoever as to what is happening to cyanides locally but will do his best to find out. Presumably I can learn from him after he has found out from people where the cyanides are going as of this moment. He acknowledges the legal action at Byron and is just as curious as we are as to who is doing what at this time.

P - Environmental Protection Agency, State Offices, Rockford - Harris Shein  
Harris Schein also says he has no knowledge whatsoever about what is happening to cyanides locally now that the Byron free wayside dump has been shut down. He finally admitted that this is not because he doesn't want to talk to me, he just doesn't plain know. So no help here.

P - Commercial Wire Products

No out bound chemicals they say.

P - Sundstrand Corporation, Aviation Division

N. Florence

They develop 500 drums a year of sludge from an electro machining device called elox plus lapping compounds. Do we have any experience in handling these products? They also have 7-15,000 gallons of mixed oils and solvents. This is a mixed bag indeed including cutting oils. When we have something out this way we can take another look at this one.

They have another division, Sundstrand Hydraulics. Talked to Ron Grim there to find again mixed oils, 10,000 gallons per month.



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